



ST CROSS COLLEGE

FINANCIAL REGULATIONS

1. Status and scope of the financial regulations

The financial regulations apply to all funds, irrespective of their source, passing through the College's accounts and the conduct of all the financial affairs of the College.

The financial regulations are in addition to the Standing Orders of the College which set out how the business of the Governing Body and sub-committees is to be conducted.

The primary objective of the financial regulations is to ensure the proper use of finances and resources in a manner which satisfies the College's requirements for accountability, internal control, and the management of financial risk. The regulations translate into practical guidance the College's broad policies relating to financial control.

If a particular circumstance is not covered by the College financial regulations and it is covered appropriately by the University regulations, then the latter shall apply.

Compliance with these mandatory for all members of the College which includes staff, students, Fellows and other associated individuals. Members of the College who fail to comply with the financial regulations may be subject to appropriate action under the College's disciplinary procedures. Breaches of the financial regulations will be notified to the Master.

It is the responsibility of the Master and Bursar to ensure that all Fellows, Officers, employees and student office holders are alerted to the existence and content of the College's financial regulations. Copies are available from the Bursar or on the College website.

Any queries regarding the interpretation of the financial regulations should be referred to the Bursar.

2. Amendment of the financial regulations

The College financial regulations are subject to an annual review by the Bursar but may only be amended following approval by the Governing Body upon the recommendation of the Finance Committee.

In the case of urgent need, the Master and Bursar may agree to the amendment of financial regulations for a particular case. Such amendment shall relate only to the case in respect of which it is made and shall lapse if not confirmed by the next meeting of the Governing Body.

3. Regulatory framework of the College for financial matters

The College is accountable through its Governing Body to the University of which it is a Society. The Governing Body is responsible for the management and administration of the College and for ensuring the proper use of all funds received by the College but for all every day operations of the College and for all actions within the annual budget, as approved by the Governing Body, this authority is delegated to the Bursar.

The Master is responsible to the Governing Body for ensuring that sound systems of internal control are in place and that accounts records are properly kept.

The Vice-Master will assume the responsibilities assigned to the Master in the case of the sustained absence of the Master, e.g. through end of term of office or incapacity.

Access to accounting systems should be restricted to that appropriate to each user's role and responsibilities.

4. Audit

As a Society of the University the external and internal auditors of the University and any other authorised auditors, e.g. HEFCE Internal Audit, have the right to unrestricted access to all vouchers, documents, books of account, and computer data and to any other information which they consider relevant to their enquiries and which is necessary to fulfil their responsibilities. Both internal and external auditors also have the right to verify assets and the right of direct access to any employee or person responsible for the administration or management of College funds with whom it is felt necessary to raise and discuss such matters.

5. Fraud

The Governing Body through the Finance Committee is responsible for ensuring the establishment and maintenance of adequate systems of internal control for the prevention and detection of fraud and irregularities.

The Master or person(s) nominated by the Master are responsible for investigating any matters involving irregularities or suspected irregularities in the exercise of activities of the College including financial matters such as fraud concerning cash, stores or other property.

The Master shall be immediately informed by any Fellow of the College or by any member of staff of any matter arising which involves or is thought to involve financial or accounting irregularities concerning the assets of the College.

The Master shall take such steps as considered necessary to investigate and report on any such matter.

Where any investigations produce prima facie evidence that a criminal offence has taken place, then the Master shall have discretion, taking into account the circumstances and seriousness of the case, to determine whether the Police shall be informed.

6. Whistle Blowing

The Public Interest Disclosure Act provides employees with legal protection against being dismissed or penalised by their employers as a result of disclosing certain serious concerns.

7. Ethical Policy

Employees and others with responsibility for the administration or management of College funds should not use their authority or office for personal gain and should always seek to uphold and enhance the standing of the College.

8. Disclosure of Interests

A member or employee of College having a personal, financial, or other beneficial interest in any transaction between the College and third parties shall disclose that interest to the Master.

Where the matter in which the individual has a personal interest is to be discussed at a committee meeting the individual must:

Declare an interest before the meeting or at the meeting before discussions begin on the matter;
Be absent from the meeting for that item unless expressly invited to remain in order to provide information;

Not be counted in the quorum for that part of the meeting;

Be absent during the vote and have no vote on the matter.

Further information may be accessed from the University website
<http://www.admin.ox.ac.uk/researchsupport/integrity/conflict/>

9. Risk Management

The Governing Body acknowledges the risks inherent in its activities and is committed to managing those risks which pose a significant threat to the achievement of its business objectives and stability. The Master is responsible to the Governing Body for advice on these issues.

10. Dissemination of information regarding the College to external organisations

No information regarding the future development or strategy of the College shall be issued formally to external organisations without the knowledge and approval of the Master. No financial data shall be submitted formally to external organisations without first being reviewed and approved by the Bursar.

11. Financial development plan, budgets and budgetary control

The College Accountant will be responsible for the production of annual and medium-term budgets and the annual financial statements. The College Accountant will prepare annually a medium-term finance development plan in line with the strategic direction of the College and present it to the Master for review. The budget for the following year will form the first year of the plan. The plan will then be presented to the Finance Committee and following their approval to the next meeting of the Governing Body.

Control of spend against the agreed budget is a continuous process throughout the year and a half-yearly review of the College's performance against budget is to be submitted to the Finance Committee.

Individuals are not authorised to commit the College to expenditure without first ensuring that there are sufficient funds to meet the purchase cost within budget. If any departure from budget is foreseen it must be reported immediately to the Bursar and before any further commitment of funds is undertaken.

Only authorised staff have access to the financial records

12. Accounting Records

The Bursar shall ensure that all monies under the College's control are kept safely and are used only for the purposes for which they are approved and that all transactions are properly recorded in the accounting system.

13. Retention of financial documents

The period for the retaining documents is a complex issue and the most favourable retention period will allow for records to be kept as long as they are really needed for legal and commercial purposes.

A programme should be drawn up to select records that are to be retained or destroyed in order to keep the volume of records under control. The retention policy should be just one of the elements comprised in a much broader programme covering records management. In determining appropriate retention periods the following aspects need to be considered:

- economy;
- legal and related requirements;
- potential demand within the College;
- historical value.

There are few firmly established regulations to follow in deciding how long to keep documents. However, this guideline covers recommended minimum retention periods for accounting records to discharge the College's legal and statutory obligations in respect of the various taxing authorities and audit requirements.

14. Accounting Systems

All employees with access to any of the College's accounting systems must comply with the relevant password and security controls. Further information is available on the College website regarding password security and regulations relating to the use of Information Technology facilities.

The College will operate such accounting systems as are appropriate to the financial activities of the College.

15. Annual Financial Statements

The Governing Body will approve the annual financial statements of the College for each year to 31st July following recommendation from the Finance Committee.

16. Banking Arrangements

i. Appointment of Bankers

All monies receivable by the College are to be regarded as income of the College.

College income includes all monies made available to individuals on the basis of their association with the College.

The College's transactions will be processed via University bank accounts with income being paid in promptly and properly accounted for.

No new accounts can be opened without the approval of the Governing Body and the approval of the Director of Finance for the University and ratified by the Finance Committee of the University.

No private bank accounts may be used to divert any monies receivable by the College.

ii. Operation of the College imprest bank account

The College operates an imprest bank account in the name of the "University of Oxford St Cross College".

Transactions through the College bank account will be promptly and properly accounted for. Bank statements are to be reconciled weekly and reviewed by the Accounts Manager. Any discrepancies must be investigated immediately and rectified as appropriate. Payments may only be made from the account under exceptional circumstances.

Any proposed changes to the mandate for the College bank account must be approved by the Master and the Director of Finance for the University and ratified by the Finance Committee of the University.

All cheques drawn on the College bank account require two signatories. When not in use the cheque book for the College bank account must be kept in a locked cabinet.

17. Receipts

All income received by the College should be identified, receipted and recorded on the day of receipt and banked twice per week.

Staff responsible for the handling and custody of cash must adhere to the following:

- all monies and any other valuable items must be held in cash drawers, where available, and shall be locked, when not in use, in a fire-proof safe;
- cash income must not be counted in public view or left unattended, even temporarily;

- monies received should, wherever possible, be balanced daily and paid over to the Accounts staff on the day of receipt;
- safes must be kept locked at all times except when in use to deposit or receive monies or other items;
- post-dated cheques must not be accepted for payment except by prior arrangement with the Accounts Manager;
- an official College receipt must be given for all cash received;
- all receipt books when not in use must be kept in a locked cash drawer or safe;
- no deductions may be made from any cash collected on behalf of the College prior to paying the funds over to the Bursary staff. Similarly, personal or other cheques must not be cashed out of money received on behalf of the University.

Those making payment to the College should be advised that cheques are to be made payable to 'St Cross College Oxford' and send payment to St Cross College, St Giles', Oxford, OX1 3LZ. The postal service and University Messenger Service must not be used to send cash.

18. Student Fees

In accordance with the regulations of the University, no person shall be presented for a degree unless he or she has paid all the sums due from him or her to the University. Variation in course fees and fee waivers may only be granted in accordance with conditions agreed by Council.

Furthermore, no student shall be presented for a degree unless he or she has paid all fees due from him or her to the College. Variation in the College fee and fee waivers may only be granted by the Master or Bursar.

19. Acceptance of gifts to the College

All gifts to the College must be notified to the Master.

If required, the following persons are authorised to give a valid receipt on behalf of the College:

- (a) the Master;
- (b) the Bursar.

Any gifts which bear restrictive conditions should be notified to the Master and the Bursar. The Development Manager will maintain a record of gifts received and will initiate claims for the recovery of tax where appropriate.

All members or employees of the College who are offered donations or endowments for the College must have regard to the possibility that the funds may emanate from illegal sources. They should exercise particular caution:

- (1) where, having been offered large donations from persons whose identity is not known to the College, they do not receive satisfactory replies to the further enquiries they make;
- (2) where donations are conditional on particular individuals or organisations being used to do work for the College;
- (3) where offers of donations in cash or foreign currencies are made for a certain period of time, during which the College is to receive the interest, before the capital sum is returned to the donor at the end of the specified period in sterling;

Any such cases must be referred promptly to the Master.

20. Borrowing

No borrowing may take place and College assets may not be offered as security for any borrowing, without the approval of the Governing Body and the permission of the Council of the University.

21. Investment

The Finance Committee of St Cross College is responsible for the investment of funds and

endowments of the College.

In the exercise of its responsibilities, the Finance Committee shall have regard at all times to:

- (1) the suitability (both generically and specifically) of particular investments to the College;
- (2) the need for diversification of investments;
- (3) the need to obtain and consider proper advice.

All investments shall be made in the name of the University of Oxford – St Cross College.

22. Deposit Pool

The cash of the College will be held within the University's deposit pool.

23. Petty Cash

Where a petty cash float is provided to pay minor expenses, it may not be used for:

- cashing of personal cheques
- payment to regular suppliers
- gifts to members or former members of staff
- payment for non-business use of goods or services
- personal expenditure
- loans or advances to employees or students
- wages or salaries
- payments for items in excess of £50
- payment for staff parties/entertainment

No payment is to be made from petty cash unless supported by invoices/vouchers authorised by the appropriate budget holder. Cash receipts should not be added to petty cash balances but must be banked.

Regular claims for reimbursement of the float, supported by the receipts or vouchers, should be submitted on the standard form.

Only staff authorised to operate a petty cash float are permitted access to the float. The holder of the float is responsible for its security and must inform the Accounts Manager as soon as practical of any loss.

Float holders must regularly reconcile their float by ensuring that the total of cash in hand and vouchers/invoices for amounts paid out equals the value of the float.

Periodically, with a minimum of once a year, the Accounts Manager will confirm all petty cash balances except the College petty cash float which will be checked by the Bursar.

Requests for any new floats or changes in the float must be approved by the Bursar and/or the appropriate college committee.

24. Authority to enter into contracts

The Master and Bursar have the authority to enter into contracts and to provide all necessary authorisations for all operations concerning the everyday operation of the College.

The Bursar may delegate this authority to budget holders and those given delegated authority may delegate further on an ad hoc basis. For information, current levels of delegation by the Master are set out in Appendix B: Financial Authority Limits.

No discussions with third parties which might lead to a contractual situation where the amount exceeds an individual's authority level can be conducted without the knowledge and agreement of the Bursar. This applies equally to the receipt and expenditure of funds.

Any activity outside the daily operation of the College requires authorisation by the Governing Body. The Master or Bursar will act on behalf of the Governing Body in effecting the transaction. This would include the purchase, sale, leasing and charging of real property.

No contract may be entered into which is illegal and/or does not comply with the obligations laid down by HEFCE, HM Revenue & Customs or other government authorities.

Authority from the University Director of Finance is required for the set up or removal of any subsidiary or associated company.

25. Sales

The Master through the Bursar is responsible for establishing procedures to ensure that all sales are authorised and are subject only to acceptable risks.

The liability to VAT of all goods and services supplied must be established, and VAT charged and accounted for as appropriate. The College's internal authority on VAT questions is the Accounts Manager. When determining the prices to be charged for residences, conferences, catering and services to external customers the full cost to the College should be assessed. Sales invoices are to be raised promptly.

The full cost should be recovered unless it is appropriate to do otherwise having regard to the particular circumstances. The Bursar must approve sales to employees, members of the College, and other customers which are made without charge, or at a charge below that normally made to external customers. The Bursar and Domestic Bursar must ensure that appropriate charges are made for the use of College premises and facilities for non-College purposes. The Bursar will ensure that arrangements are in place for credit control, proper monitoring of all debts, and the follow up on overdue accounts. Payment arrangements in respect of any amounts overdue can only be made with the agreement of the Bursar or Accounts Manager. Any VAT included in bad debts which have been written off may be recovered by notifying the Head of Systems, Payroll and Taxation at the University. All members of College have a duty to inform the Bursar of any potential new sources of income which may arise as a result of College activities. Requests to write off any other category of debt must be referred in the first instance to the Bursar.

26. Purchases

The Bursar is responsible for establishing procedures to ensure that goods and services are ordered in required quantities of suitable quality at the best terms available after appropriate requisition and approval.

The person placing the order must ensure that the expenditure is a valid charge to the College and that adequate budgetary provision is available to meet the expenditure.

To ensure invoices are paid when due, invoices must be passed to the Bursary as soon as they have been certified for payment by the person who placed the order. In carrying out this check it must be ensured that;

- the invoice agrees to the order;
- the prices, calculations, trade discounts, credits and the VAT amount are correct;
- the goods have been received or services rendered are satisfactory;
- the expenditure is a proper liability of the College;
- the invoice has not been previously passed for payment.

Suppliers should be instructed that all invoices must be addressed to St Cross College, St Giles', Oxford, OX1 3LZ.

Use of copy invoices for payment should be avoided wherever possible. Where this is not possible copy invoices should be boldly marked 'COPY'.

Duties of staff should be segregated wherever possible, so that more than one person records and processes each transaction.

The Accounts Manager will supply the Payments Section of the University with a register of authorised signatures for the authorising of documents for payment.

- The register will record the limits on each individual's authority.
- Each entry on the register must be signed or initialled by the Master.
- The register will be confined to employees of the College.
- The register must be kept up to date.

Prompt payment for discount must not be earlier than the date of supply, except in cases where

the supplier must itself make cash outlays at an early stage, and must not be made unless the credit status of the supplier has been established as satisfactory.

Payments to suppliers will normally be by way of BACS transfer or computer-generated cheque. Payments under employment contracts must be made through the University payroll and not by any other means.

27. Stocks

The Bursar is responsible for ensuring that stocks are adequately protected against loss or misuse. Stocks should be maintained at the minimum level required to support operations.

A physical stock count must be conducted at least once a year, preferably on or before 31st July and any significant discrepancies investigated.

28. Equipment and Furniture

The College Accountant is responsible for establishing procedures to ensure that all items of equipment and furniture are adequately protected against loss, damage and misuse, and that all purchases and disposals of equipment are properly authorised, accounted for and recorded.

Any proceeds from the sale of equipment will normally be credited to the account of the College.

Inventories must be maintained and updated at least once a year for each of:

- Furniture and equipment in college premises and rented premises
- Computing equipment
- Artworks

Insurance will be arranged through the Insurance Office of the University and the Accounts Office will provide annually a list of all College property, equipment, artworks and items on loan for which all-risks insurance is required.

Items purchased or loaned between submissions will also be notified at the time of acquisition where the individual value exceeds £50,000.

No asset belonging to the College may be removed for personal use without approval in writing from the Bursar.

29. Buildings

The Master through the Bursar is responsible to the Governing Body for ensuring that procedures for the management and maintenance of the College's property are in place.

The Bursar can authorise any building works on College properties associated with the ongoing operation of the College, for example repairs and maintenance and minor works. Any other building works, however funded, would require the prior permission of the Governing Body.

The authority of the Governing Body is required for the purchase, lease or sale of property. In urgent cases that authority may be exercised by the Master on the Governing Body's behalf and reported subsequently to the Governing Body.

30. College Vehicles

No College-owned vehicle may be used unless it is insured for the purpose for which it is being used, has been appropriately taxed, and has a valid MOT test Certificate where required; and unless the driver is qualified to drive the vehicle.

College vehicles may be used only by persons and for purposes authorised in writing by the Bursar and a record of authorised drivers should be maintained; notification should be given to the Insurance Section staff of the University whenever drivers have six or more points on their licences.

Where the use of College vehicles is authorised for travel to and from work and they are not left on College premises at night, any employee of the College is likely to be taxed on the benefit enjoyed.

Where private use is allowed, the terms and conditions of use and reimbursement of costs must be authorised in writing by the Bursar; the motor insurance cover provided through the University will operate in respect of private use of vehicles where this authorisation has been obtained: it is possible that the cover will not operate in the event of an incident arising during a period of private use where the appropriate permission has not been sought and obtained.

College vehicles must be included in the College's asset register: any acquisition must be notified immediately to the Insurance Section staff of the University.

Sales of vehicles should be advertised beyond the College: any disposal must be notified immediately to the Insurance Section Staff of the University.

31. Insurance

Except in cases where the Master has directed otherwise, insurance will be arranged through the Insurance Office of the University and/or collective collegiate arrangements which will provide all necessary advice.

32. Legal Advice

Legal advice on staff matters and Health and Safety matters will be obtained as part of the College's agreement with companies approved by collective collegiate arrangements. All other legal advice will be obtained as directed by the Master.

The taking or defending of any court, tribunal, arbitration, adjudication or (formal) mediation proceedings will be initiated and managed:

- (1) in the case of staff matters and Health and Safety matters by Peninsula Business Services as part of the College's agreement with them or the University, as appropriate;
- (2) in all other cases as directed by the Master.

33. VAT

The College as a Society of the University is a partially exempt, registered, taxable body and has a legal obligation to account properly for VAT. The College is largely responsible for its own VAT affairs, but relies on the University's Finance Division for appropriate advice and direction. The Accounts Manager is the College's internal authority on VAT questions.

The Accounts Manager must submit correct and timely returns of VAT and other legally required data to the Finance Division of the University, for the inclusion in the University's returns to HM Revenue & Customs, as well as providing the information needed on invoices and other documents of costs incurred, to allow the University to operate its VAT partial exemption scheme.

34. Staff

All College employees shall be paid through the payroll operated by the Payroll Office of the University.

All documents sent to the Payroll Office authorising the payment of new employees or subsequent changes to their salary or other details must be authorised by the Bursar.

It is the responsibility of the Master or Bursar

- a) To ensure, by inspection of documentation specified by the Immigration and Nationality Directorate for this purpose, that every prospective employee has the right to work in the UK; or
- b) If the person does not have this right, to obtain through Personnel Services of the University a work permit from the Home Office for the specific employment proposed.

35. Travel and Subsistence

35.1 Employees and Officers: Claims for reimbursement

Travel and subsistence reimbursement claims should be made on University claim forms.

The claims must be for the reimbursement of actual expenditure incurred wholly and necessarily

on the business of the College, and be in accordance with the rates as applied by the University. Supporting receipts must be provided for the cost of accommodation, fares, and other items of expenditure. No round sum allowances may be paid.

An owner whose vehicle is being used for travel on College business must ensure that it is adequately insured for that purpose.

Employees cannot be reimbursed for the cost of travel to and from their normal place of work otherwise than in exceptional circumstances, when the permission of the Bursar must be sought. No one may authorise reimbursement of his or her own expenses.

Claims should be approved by line managers except for any claim by the Master whose claims shall be authorised by the Bursar.

Those travelling abroad on College business should take out appropriate insurance cover by registration with the University's block travel policy available through the Insurance Office.

35.2 Employees and Officers: Travel Advances

Advances will normally be made only to employees and officers of the College for up to two weeks costs.

Advances will be limited to;

- (1) 75% of the estimated cost of up to two weeks' subsistence; and
- (2) the full cost of fares (unless the fare is paid directly by the College).

Requests for advances should be made on the College expense claim forms giving details of dates and countries to be visited, and a breakdown of the advance required.

Claimants must submit full documentation within seven days of return and the process of accounting for the claims against advances must be completed within one month of the return date.

Advances should not be outstanding for more than two months.

35.3 Students: Travel Awards

Payments will be made to the student following the receipt of invoices/receipts to the value of the grant awarded as notified to the student in a letter from the Academic Administrator.

36. Payments for Entertaining

Entertaining in the form of meals and hospitality should, wherever possible and appropriate, be carried out in College or the Master's Lodgings.

Expenditure on entertainment or courtesy gifts may be an appropriate use of College funds: it will avoid tax liability only if it is incurred wholly, necessarily and exclusively for College purposes.

Details must be included with the claim which specifies those entertained or honoured their companies or institutions, and the purpose of the entertainment or gift.

Prior authorisation must be obtained from the Bursar (except in the case of the Master) for any expenditure to be incurred on entertaining and gifts. The Development Director may incur entertainment expenses up to the agreed limits. The subsequent expense claim, which must be supported by receipts, must be submitted to the Bursar for authorisation.

37. Commercial Activities

No non-College commercial activities may be carried out on College premises and no College facilities may be used for such activities, unless approved by the Master.

In no circumstances may the College address (whether postal or email) be used for non-College commercial activities.

38. Gifts and Hospitality

It is an offence under the Prevention of Corruption Act 1916 for employees to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything

in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;

The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they or their colleagues deal) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work which would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than the College would be likely to provide in return. In case of doubt members of staff must consult their line managers.

39. Accounting Documents

1. *Purchase invoices:* All paid invoices are to be retained for at least seven years. Once the invoices are one year old then they may be microfiched. Supporting requisitions, purchase orders and goods received notes should be kept for three years.
2. *Sales:* Copies of all sales VAT documents including sales invoices must be held for seven years, i.e. six years plus the current year.
3. *VAT returns:* All supporting documentation used to compile the return should be retained for a period of seven years, i.e. six years plus the current year.
4. *Banking:* For monies paid into the main University bank account or to the Development Office account copies of all receipt records and banking sheets should be kept for three years. All documentation and statements including bank paying-in counterfoils and cheque books for the College bank account should be kept for six years.
6. *Payments to Personnel:* All documents in support of payments to personnel should be kept for at least seven years, i.e. six years plus the current year.
7. *Equipment Registers:* Equipment registers (i.e. Fixed Asset registers) should be kept for indefinitely. Copies of asset disposal notes should be kept for three years.
8. *Accounts Printouts:* The Finance Division of the University keeps microfilmed copies of the accounts nominal ledger from 1976 onwards.
9. *Payroll Printouts:* The College should keep monthly printouts for one year plus the current year; these should be evidenced as having been checked by the Bursar.

The above is not meant to be a comprehensive list of all the financial documents held in the College and does not imply that all other documentation can be destroyed.