

# Financial Policies & Procedures - Cardiff University



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**D.1 RESPONSIBILITY OF BUDGET HOLDERS**

1.1 Heads of Schools/Directors as budget holders are ultimately responsible to the Vice-Chancellor, who is the overall Accounting Officer of the University for the management of budgets within their control. All income and expenditure is the responsibility of an identifiable budget holder. Budget holders are responsible for the financial and general administration of the functions and/or areas within their control and for the policy to be pursued during the budget period for the purpose of attaining given objectives. Staff in Schools/Directorates responsible for financial control should report any lack of compliance with controls and procedures to their Head of School/Directorate in the first instance but where there is continuing evidence of poor control, non-compliance or irregularities than these should be immediately reported to the Financial Controller.

As such they are expected to:

- (a) Control and account for the financial and other resources under their control;
  - (b) Ensure the production on time of forecasts of expected out-turn for the current year and budgets for the following year;
  - (c) Advise the DPFR of strategic resource requirements/discontinuation of requirements affecting budgets under their control;
  - (d) Advise the DPFR of perceived weaknesses in the current budgetary control procedures, which require action;
  - (e) Safeguard University funds and other assets under their control against misuse or misappropriation;
  - (f) Monitor the financial control systems in their School/Directorate;
  - (g) Confirm to the DPFR that the necessary financial controls exist in their School and that they are being operated correctly.
- 1.2 FINCE and RACDV provide access to income and expenditure statements of all accounts under their control.
- 1.3 Budget holders are responsible for ensuring that the following expenditure shall not be financed from School/Directorate resources:
- (a) Items which ought properly to be paid for by members of the University staff because they are of a personal nature;
  - (b) Services used in respect of private consultancies;
  - (c) Expenditure, including staff appointments, which has not been taken into account when budgets have been authorised.
- 1.4 Budget holders are responsible for ensuring that Schools/Directorate resources are used in the most efficient, effective and economical manner and will be provided with access to income and expenditure statements by the DPFR.
- 1.5 Heads of School/Directors or their nominees, if they are unavailable due to leave etc., must show evidence that the monthly budget holder statements in respect of School/Directorate funds have been reviewed and remedial action taken as appropriate.

- 1.6 Where budget holders are contemplating transactions which will materially affect the finances of the University, they shall immediately consult the DPFR.
- 1.7 Budget holders are required to provide the DPFR with a list of contingent liabilities existing as at 31 July, annually, to enable details to be included in the Annual Accounts. Contingent liabilities include guarantees given to other parties, conditional liabilities under contracts, liabilities on claims pending, goods sold or services provided with a guarantee of replacement in the event of defect or for free servicing/provision of advice for a period. Budget holders should discuss possible contingent liabilities with the Assistant Director (Financial Accounting Services) who will take appropriate advice and advise holders as appropriate.
- 1.8 Heads of School/Directors are required to maintain accurate absence records for all members of staff with responsibilities for administration and especially for cash handling. It is incumbent upon each Head of School/Director to ensure that suitably trained personnel have been nominated to deputise for such staff and that adequate segregation of duties is maintained.

#### Annual Accounts

- 1.9 The Accounts are produced for the University's financial year ending 31 July. Schools/Directorates need to comply with deadlines laid down by the DPFR to assist with the completion of the Annual Accounts. Details of income due to the University, expenditure incurred, inventory returns, etc. existing at 31 July must be forwarded to FINCE in the manner prescribed. With the introduction of formula funding together with the publishing and interpretation of performance indicators based on details supplied in the HESA, it is critical that all University activity is included and classified appropriately. The Annual Accounts are presented by the DPFR to the Policy and Resources and Audit Committees in October after they have been audited by the University's external auditors. Once approved by the Audit Committee, the auditors' report is incorporated into the Accounts. The Accounts are presented for approval to Council at the December meeting.

## **D.2 FINANCIAL FORECASTS**

2.1 The University's five year financial forecast for the Funding Council is revised annually as part of the University's corporate, academic, financial, estate, recruitment and other plans in order to:

- (a) identify trends in the University's financial position;
- (b) assess more fully the resource implications of adopting particular strategies;
- (c) safeguard the long term financial viability of the University by enabling management to weigh up the probabilities and risks and decide what action may be necessary to counteract any unfavourable factors revealed by the forecasts.

### D.3 THE SCHOOL ALLOCATION SYSTEM

#### Background

- 3.1 The resource allocation model sets out the principles and methodology for allocating the HEFCW grant (for teaching and research) and tuition fee income in the merged institution. Other income such as that from research overheads, consultancy/services rendered and WAG/NHS contract income will be allocated to those Schools generating the income outside the formula allocation model.
- 3.2 The allocations model is based on the principle that resources should be allocated in a transparent and predictable manner and contained within the total HEFCW and fee income received.

#### The Allocation of Funds to Schools

- 3.3 Resources are allocated to Schools on an annual basis. The total amount available is based on the policy of returning to each School a fixed proportion of resources due to them on the basis of students taught from Funding Council resource, from tuition fees, and from research covered by the Funding Council's research quality allocation. From Teaching funds this proportion is 61.5% for the majority of Schools, while for the Clinical Schools the proportion is 75.5% to take account of higher clinical costs. The remaining 38.5% / 24.5% share is split under four headings in the University's resource allocation model: Professional Support Services (the administration); Information Services (IT and library provision); University Costs (premises-related costs, the Students' Union grant, examination costs, subscriptions etc.) and Strategic Investment (funds at the discretion of the University for investment and development purposes). Schools receive 61.5% of their research allocations with the remaining split being divided between the four headings mentioned above.

#### Coverage

- 3.4 The School allocations process is concerned with the distribution of resources between Schools from the Funding Council grant and tuition fees. This will form only part of the income available to Schools. Schools are free to raise income from other sources, in line with the University's strategic objectives, and are encouraged to do so by the return to Schools of a substantial proportion of the overhead income from external sources.
- 3.5 The School allocations system encompasses the total allocation of recurrent resources to Schools and determines the monies available to Schools for the forthcoming year to cover all staff and non-pay expenditure, except that attributable to externally funded research or services contracts.

#### Teaching and Research Income

- 3.6 School recurrent income can be broadly divided into two categories:

- 'T' Income** - derived from the teaching element of the Funding Council recurrent grant, and the tuition fees earned from all types of student (UG and PG, home and overseas). HEFCW funds postgraduate research students from a separate postgraduate research training fund, which is included with 'T' in these tables.
- 'R' Income** - derived from the research element of the Funding Council recurrent grant, based on research quality as measured during the latest research assessment exercise, plus volume measures based

on staff, research students and research grant and contract expenditure from UK charities.

- 3.7 HEFCW funds are also used to provide a baseline management allowance for all Schools except those funded mainly from contract income, to cover the costs of the basic management and administration demands placed on all Schools regardless of size. Where the School funding is mainly from contract income, the management needs are already calculated and funded within the contract.

#### Restrictions on Expenditure

- 3.8 Although the allocations are made to Schools under the specific headings of teaching, research, overseas income etc, Schools are able to vire funding internally as they see fit, in order to provide high quality teaching to their students and pursue research excellence. Schools must, however, be aware of the obligation upon the University, and therefore Schools, to account to the Funding Council for the appropriate expenditure of 'T' and 'R' funding.
- 3.9 Historically, the University has always maintained a tight control centrally on the level of commitment a School may make to permanent staff salaries, both academic and non-academic. In recent years, it has taken a more flexible approach to allow Schools to appoint permanent staff from stable sources of income outside of the School allocation process through a TPA model (Total Projected Activity model or 5 year financial plan). This allows more flexibility in staff appointments, taking account of all sources of income and expenditure within the School, projected for the following five years, within the context of careful monitoring and risk management of the budgets in Schools.

#### The Strategic Investment Allocation

- 3.10 Following the University-wide Review of Resource Allocation in 2008 a specific Strategic Investment stream has been created in the resource allocation model. This will be constructed from a variety of income sources and will be used largely to support strategic investment in University activities and infrastructure via three separate funds.

**D.4 PREPARATION OF BUDGETS**

- 4.1 School estimates of income/expenditure, including the salary costs of all staff supported from School funds from all available sources, are collated by FINCE annually. These estimates are subject to regular monitoring by FINCE and reports are presented to the Finance Group.
- 4.2 In preparing any budget information, Heads of School/Directors should consider:
- (a) the University's mission and objectives;
  - (b) the estimated expenditure and income in the current year;
  - (c) anticipated inflation relating to expenditure and income; and
  - (d) any other changes which are likely to impact financially on the School/Directorate.
- 4.3 Schools are required to contain their expenditure within their allocations taking one year with another and Heads of School must ensure that they have sufficient resources available to meet commitments. Tight control is maintained centrally on the level of commitment a School may make to permanent staff salaries - both academic and non-academic, such that for any School, a request to appoint a member of staff on a permanent basis will be subject to close scrutiny and require the School to review its position using the Total Projected Activity model. Further recruitment may be refused if such an appointment would be financially unsustainable.
- 4.4 Heads of School must ensure internal budgets are updated regularly and adverse variances reported to the DPFR or nominee.

## **D.5 SCHOOL SUBJECT TO CLOSURE OR MERGER**

5.1 A School subject to closure or merger should have its funding arrangements closely monitored and controlled by the University, and as such special budgetary provisions will be imposed, once its future has been resolved by Senate and Council, i.e.:

- (a) Prospective School equipment purchases will need to be suitably justified, prioritised and costed within an appropriate financial plan.
- (b) The School financial plan will be approved by the University.
- (c) The University will:
  - (i) Withdraw the School from the established Resource Allocation Model;
  - (ii) Ensure the School receives appropriate funding after safeguarding the interests of students and staff and also assessing the approved plan and level of unspent School balances.
- (d) Purchase Orders and payments in respect of equipment acquisitions, valued above £500, will need to be countersigned by the DPFR or nominee.

## D.6 PETTY CASH AND CASH FLOATS

- 6.1 The DPFR will, on request, provide Schools/Directorates with petty cash accounts to enable them to finance minor disbursements. Heads of School/Directors shall nominate a member of their staff to be responsible for the petty cash account. The names of such staff shall be provided to the DPFR.
- 6.2 Expenditure from a petty cash account shall **not** exceed £50 for any items or group of items and shall be sequentially numbered to correspond with summary report sheets. Income received by the University shall not be paid into a petty cash account unless previously agreed by the DPFR. Petty Cash accounts should not be used for:
- Making any type of wage or salary payment;
  - Making advances or loans to staff or students;
  - Meeting staff expense claims over £7;
  - Receiving income, unless previously agreed by DPFR;
  - Making payment to or entertaining members of staff who are leaving;
  - Provision of beverages, except for visitors;
  - Gifts or presents to staff or students.
- 6.3 A member of staff granted a float is personally responsible for the safe custody of the float.
- 6.4 The float should be retained in a locked box, placed in a cupboard or cabinet at night and whenever the office is left unattended. It is also essential that the office itself be locked, as the Insurers will only accept a claim where there is evidence of forced entry into the premises.
- 6.5 The key to the box and the cupboard or cabinet should be retained by the member of staff and not left in the office out of hours or when the office is left unattended. A duplicate key should be sent to the Cashier, FINCE for safe custody. No spare key of either the cash box or the cupboard should be left in any position, concealed or otherwise, in the office.
- 6.6 When money is handed over by one person to another the recipient must give a proper receipt to the person from whom it is received.
- 6.7 The Head of Schools/Directors should arrange for general supervision and regular independent checking of these arrangements.
- 6.8 The Internal and External Auditors and Accounts Payable Section staff will check the cash float from time to time and report any discrepancies to the DPFR.
- 6.9 Petty cash accounts are operated on an imprest basis and should be submitted at least every 3 months for reimbursement or for FINCE to check they are being operated in line with procedures. They should, however, be submitted on an earlier basis if necessary to ensure that they do not go over-spent. Heads of School/Directors shall be responsible for authorising reimbursements but may delegate this responsibility to one of the other authorised signatories within the School/Directorate. Expenditure must be supported by appropriate invoices and/or receipts on a summary sheet.
- 6.10 At 31 July each year a certificate of the float should be completed by the member of staff and countersigned by the Head of School/Director and sent to FINCE. A float may be reduced if the imprest account is excessive in relations to transactions.

## D.7 ORDERS

- 7.1 Heads of Schools/Directorates are responsible for providing the names of staff responsible for approving requisitions in Oracle. New approvers or amendments to their Approval Hierarchy can be made by completing the Oracle-EBS: Access Request Form which is available from the Finance website – <http://www.cardiff.ac.uk/fince/servicesstaff/oracleforms/index.html> selecting New Oracle User ID Form.
- 7.2 Orders must state the description, quantity, expected price of the goods or services, delivery details and the University conditions of contract as required by Oracle.
- 7.3 Official Oracle order forms must be used for all goods and services except:
- supplies of public utility services;
  - periodical payments of rent or rates;
  - petty cash purchases;
  - other exceptions specifically approved by the DPFR.
- 7.4 Every effort should be made to co-ordinate purchases within the School/Division to minimise the number of orders/deliveries to a single supplier and ensure that the supplier's minimum quantity requirements are met.
- 7.5 Unless it is necessary for individuals to buy items of equipment when they are away from Cardiff (e.g. on a field trip), staff should not purchase items of equipment on behalf of the University and seek reimbursement via expenses claims.
- 7.6 Expenditure on any one item or a group of items in excess of £50,000 requires the approval of the DPFR or nominated deputy.
- 7.7 Payments with order or prior to full delivery is prohibited for items costing over £1,000 unless a prior request has been submitted to and approved by the DPFR. Responsibility following payment rests with the School.
- 7.8 No purchase order should be raised without prior confirmation that that there are sufficient funds in the relevant budget.
- 7.9 The use of University orders for private staff purposes is prohibited.
- 7.10 All orders over K£10 must be approved by PURCH and requisitions in Oracle are routed to a Purchasing Manager within the Approval workflow.
- 7.11 Delivery notes must bear evidence of checking and are retained.
- 7.12 Unreceipted orders should be reviewed and cleared regularly by running the CG Open Purchase Orders Extract from Oracle.
- 7.13 Online ordering for goods or services is generally not permitted, with the following current specific exceptions:
- i) where a Cardiff University official purchasing card is used, i.e. not personal credit/debit cards;
  - ii) for travel-related bookings where a purchase card is not available, but receipts are available, to enable a travel/subsistence claim to be made on the appropriate Cardiff University form;

- iii) for specific contracted suppliers, approved via Purchasing, (<https://www.cardiff.ac.uk/purch/advice/procedures/ordering/safeo/index.html>) where a School order number is provided and invoices are raised to the School. Details of suppliers approved for such purposes are available on the Purchasing Section's website.
  - iv) purchasing via internet auction sites such as e-bay is only permitted where the correct procedure has been followed. A copy of the procedure can be obtained from PURCH.
- 7.14 For orders placed with suppliers from EC countries, please refer to Section D.34 VAT, Import Duty and INTRASTAT.
- 7.15 When purchasing goods and services from overseas, Schools and Directorates should be aware of the EC 6<sup>th</sup> Directive whereby VAT may still be levied by HMRC (refer to D.34). Queries should be referred to FINCE Ext. 76400.
- 7.16 When purchasing equipment covered by the WEEE Regulations, consider whether the supplier is required to remove "historic" WEEE being replaced on a like-for-like basis. See WEEE guidance:
- <https://www.cardiff.ac.uk/purch/surplus/disposal/index.html>

## D.8 PAYMENTS

### Banking Arrangements and Signatures

- 8.1 Any cheque below £10,000 in value (or nearest sterling equivalent) shall require one signature only; any cheque of or above £10,000 in value (or nearest sterling equivalent) shall require two signatures.

### Signatories

- 8.2 Heads of Schools and Directorates are responsible for staff included on their Approval Hierarchy in Oracle. These approvers will also be approved signatories on non-Oracle transactions such as expenses and non-standard invoices. New approvers or amendments to their Approval Hierarchy can be made by completing the Oracle-EBS: Access Request Form which is available from the Finance website – <http://www.cardiff.ac.uk/fince/servicesstaff/oracleforms/index.html> selecting New Oracle User ID Form.

### Budgetary Limits

- 8.3 Heads of Schools and Directorates have a budgetary limit of K£50 and orders placed above this amount must be approved by the Vice-Chancellor or nominee (DPFR). Purchase orders over this limit are automatically routed to the DPFR within the approval hierarchy workflow in Oracle.

### FINCE Payments Procedures

- 8.4 FINCE is responsible for the payment of all supplier invoices and expense claims. Original invoices are received in Accounts Payable and matched to the receipted Purchase Order. Agreed “non-standard” invoices are sent to Schools and Directorates for manual approval on Payment Grids and forwarded to Accounts Payable for payment.
- 8.5 FINCE shall examine invoices before payment and may query/return an invoice to Schools and Directorates if further information or clarification is required before payment.
- 8.6 The University will not meet expenses which may be regarded as purely personal and claims will be returned requesting further information if deemed necessary by FINCE.
- 8.7 Payments can only be made against an invoice and **NOT** a statement, and must:
- (a) have a University Purchase Order number quoted or have been certified on a manual grid by an approved signatory, ensuring:
    - (i) that the invoice is addressed to the University;
    - (ii) that the goods have been receipted in Oracle or marked receipted on a manual grid;
    - (iii) that the invoice details (price/quantity received etc) match the Purchase Order (within agreed tolerances);
    - (iv) that the purchase has been recorded on the School/Directorate inventory or stock records where appropriate.

- (b) quote an appropriate account code. This must be one of the account codes included in the budget holder's responsibility, and must correspond with the type of goods, service etc., detailed on the invoice.
- 8.8 FINCE is responsible for deciding on the most appropriate method of payment. Where an overseas bank account is used for payment, or the University's bankers or other agency are asked to arrange payment to an overseas supplier, the School/Directorate will be debited with any charges for the service.
- 8.9 Payments to UK suppliers will normally be made via BACS or cheque. Exceptionally, FINCE will prepare cheques manually for urgent payments if a cash discount for prompt payment may be achieved and it is financially acceptable to do so. Further advice on the taking or granting of discounts can be obtained from FINCE.
- 8.10 BACS payments are processed each Monday and Wednesday (to credit bank accounts on a Wednesday and Friday) and cheque payments on Wednesday only. The payment terms for a supplier determine the payment date (30 days as standard), but any urgent requests for inclusion in the weekly BACS or cheque run should be hand delivered, or received in Accounts Payable 2 working days before payment and clearly marked as urgent. Payment terms for staff and students are immediate, so claims will be paid within 5 working days of receipt if there are no queries which may delay payment.
- 8.11 Foreign currency payments will be ordered with our agent Western Union within 3-5 working days of receipt in Accounts Payable. Drafts (cheques) are delivered to Accounts Payable 1-2 working days following the order for onward transmission. Wire Transfers (electronic payments) take 3-7 working days to reach the destination bank. This can vary depending on the country, for further advice please contact Mrs Claire Sheppard on Ext. 75165. Full bank details for international transfers and failure to provide these may result in payments being delayed. Each transaction incurs a charge of £1 which will be added to the GL account or Project code the transaction is being charged to unless specified otherwise.

## **D.9 HOSPITALITY AND ENTERTAINMENT FOR STAFF AND VISITORS TO THE UNIVERSITY OR STUDENTS**

### Staff/Visitors to the University

- 9.1 When hospitality is offered by University staff to third parties such as research sponsors, visiting lecturers etc. the invoice/reimbursement claim must state the names of those attending the meal, business relationship, place, date and the business purpose for the hospitality extended. Hospitality given must be kept to a minimum, must be on the basis of real benefit to the University and must be for a genuine business purpose and not just general goodwill. The hospitality costs of spouses or partners will only be met by the University if a visitor to the University has a spouse or partner in attendance and if a written case is made that this is in the interests of the University.
- 9.2 University facilities should be used wherever possible when members of staff entertain visitors. Where external facilities need to be used a rate of £35/head should be used as a guide and the University billed for the costs involved. A ratio of 2 members of staff to each visitor may be used as a guide-line. In exceptional circumstances, the rate/head may be varied if the Head of School/Director entertains extremely prestigious visitors.
- 9.3 Where hospitality and overnight accommodation is given to third parties by University staff, they may be reimbursed an amount equivalent to half of the overnight subsistence allowance with prior approval of the Head of School/Director.

### Staff/Students

- 9.4 Staff/student entertainment is allowable provided the majority at the occasion are students and a rate of £6/head as a guide may be used. Such contributions are charged to School funds. Any exceptions should be agreed with FINCE prior to the event.

### Staff Working Lunches

- 9.5 Refreshments provided to staff at working lunches or meetings, if not held on a routine basis, are an acceptable charge but there must be a formal agenda and minutes taken of the meeting. Tea, coffee and biscuits for staff during normal working hours and not in connection with the above is a personal expense and must not be charged to the University. The DPFRR must be sent details of other social occasions for which School funding is requested to ensure Her Majesty's Revenue & Customs (HMRC) regulations concerning entertaining are complied with.

### Staff Hospitality

- 9.6 Any substantial hospitality provided that is not linked to a working activity could be deemed a taxable benefit (with the HMRC being able to backdate any such claim over a number of years). Heads should therefore distinguish between providing funding for food and drinks at a staff meeting or conclusion/start of a training or staff development event, and one-off hospitality for anything described as purely a social occasion. It is for Heads to determine whether events in the Christmas period are staff development activities or purely social events.
- 9.7 For guidance, it is suggested that an evening event in a local hotel or restaurant, if not linked to some other meeting or working activity, might only be regarded as social and should therefore be funded by the individuals participating. A lunch or early evening dinner where the Head of School/Directorate or another speaker takes the opportunity to address staff on matters of School or University policy and development might reasonably be regarded as a staff development activity. The rate of expenditure per head should not be excessive however and University facilities used wherever possible. Details of occasions where hospitality exceeds £15 per head should be

authorised by the DPFR or his deputy to ensure HMRC and Funding Council regulations are complied with.

- 9.8 This advice applies on a year-round basis not simply at Christmas.
- 9.9 Expenditure relating to gifts to staff or students, for making payment to or entertaining staff who are leaving, or for similar expenditure will not be processed. Expenditure on flowers, get well and/or sympathy cards is an acceptable charge in the case of long-term sickness or bereavement of a member of staff/student.

#### Retirement

- 9.10 Entertainment for staff retirements is allowed, such as a buffet in the School/Directorate and a rate of £6/head as a guide may be used.

## **D.10 TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES**

### General

- 10.1 Claims for reimbursement of expenses incurred in the course of University business must be forwarded to Accounts Payable FINCE for processing using the approved claim forms, and in accordance with the University rates and regulations.
- 10.2 Claims must be submitted within three months of incurring the expense, and any submitted after this time limit must be supported with a written explanation for the delay from the Head of School/Directorate.
- 10.3 These regulations apply to staff, students and external visitors to the University.
- 10.4 Expenses are selected for payment in the BACS selection each Monday and Wednesday. UK expenses entered onto Oracle in Quick Invoices by Schools and Directorates are checked and validated within 1-2 working days of receipt in Accounts Payable. Any queries with a claim or batch of claims may result in payment being delayed.

### Claiming Expenses

- 10.5 Schools/Directorates are responsible for the arithmetical check of claims, subsistence rates, the accuracy of mileage claimed and the validity and reasonableness of the journey.
- 10.6 Original receipts must be submitted for all claims, and credit card slips which do not include details of the purchase are **NOT** allowable. If a statement of a credit card statement is included with a claim, obscure any personal information for security purposes.
- 10.7 Items purchased in a foreign currency using a UK credit/debit card can be reimbursed by:
  - (a) Submitting the receipt with a copy of the credit/debit card statement;
  - (b) Using a published exchange rate (relevant to the date of purchase), or the rate given at the time currency was purchased (if applicable). If this option is chosen, retrospective claims cannot be made to cover subsequent discrepancies following receipt of the credit/debit card statement. Evidence of the rate used must be attached to claims.

Items purchased using an overseas bank or credit card provider can be claimed by:

- (a) Using a published sterling exchange rate relevant to the date of purchase;
  - (b) Requesting reimbursement in the relevant foreign currency.
- 10.8 The claimant and an authorised signatory from the School/Directorate must sign all claims. The “claims and rates checked” box on expense forms should be completed to provide reassurance of compliance with checking responsibilities. Claims from the Head of School must be countersigned by either the DPFR or nominee, with the exception of Administrative Directors who should be authorised by the Vice-Chancellor or relevant Pro Vice-Chancellor. The Chair of Council or authorised nominee shall countersign expenses incurred by the Vice-Chancellor or Treasurer and members of Council shall be authorised by the Director of Registry, Governance and Students (DREGOS) or nominee. Expense claims for Board members will be authorised by the Vice-Chancellor.

- 10.9 The Head of School/Director is responsible for ensuring that the expenses claimed by members of staff and students are reasonable, in the interest of official University business and in accordance with University regulations and rates. Any claims viewed by Finance staff as outside the regulations will be returned to the School/Directorate.

### Travel

- 10.10 Members of staff travelling on University business should be conscious of the need to balance their convenience with the fact that they are spending public money, which must be accounted for.
- 10.11 Business travel can only be claimed from your normal place of work as the journey between home and work is regarded as private. This normally means only mileage in excess of your normal home to work travel journey is claimable. The only exceptions to this is if your employment contract states that your “normal” place of work is your home address or if the miles travelled are less from your home address than work. You must provide your home address if the journey commences from there.

### Rail

- 10.12 Standard Class Rail – this is the preferred option using special offers such as Advance Purchase deals where possible. Tickets can be purchased from one of the University’s’ approved travel agents, or from personal funds and re-claimed. The cost of a Senior and Young Persons Rail Card can be claimed if sufficient trips are made to benefit from savings of one third on most fares.
- 10.13 First Class Rail – This may be essential in some circumstances for example to accompany colleagues from other organisations. This must have written approval from the Head of School/Director and DPFR and restricted to exceptional occurrences.

### Hire Car

- 10.14 For journeys of more than 100 miles, a hire or pool car is usually deemed the most economical. These can be booked with the University’s’ approved contract hire companies. The cost of fuel can be reclaimed by submitting a claim form with the relevant receipts. The driver is liable for any fixed penalty/fine incurred while in possession of a hire or pool vehicle and for reimbursing the University for any associated costs, such as administration fees that may be levied by the relevant car hire company. Staff driving a hire car on official business are covered by a University motor insurance policy. This covers point of pick-up of the hire car to its return point, including any interim journey direct to the member of staff’s normal domestic residence. However, use of an official hire car is not permitted for social, domestic or pleasure purposes, particularly where an early pick-up has been arranged, e.g. on a prior day (or a weekend), before the official start of the business trip. In such a case, apart from the direct journey to home address, the driver will not be insured until the official start of the hire period.

### Pool Cars

- 10.15 Schools with pool cars must keep a log of the mileage, and names of the drivers. This should be monitored by the School administrator, and may periodically be audited. Staff are covered by a University motor insurance policy for this, and members of staff must sign “driver authorisation” forms, which are held by School administrators. Pool cars should be kept on University premises overnight, unless a member of staff has to leave before office hours, in which case the Head of School may give permission for the car to be taken home. Any fuel put in the vehicle can be claimed on an expense claim form with the relevant receipts. The cost of cleaning cars can also be claimed. Under no circumstances should pool cars be driven for personal use.

Own Car/Motorcycle/Bicycle

- 10.16 If permission has been given to use your own vehicle, it is the responsibility of the member of staff to arrange for insurance cover for business use with your own motor insurance and a MOT certificate where applicable. Each School/Directorate should keep a record of these details and update on an annual basis. Mileage allowances are payable in accordance with the rates shown below.

Cumulative Annual Mileage

	<b>Car</b>	<b>Motorcycle</b>	<b>Bicycle</b>
<b>Up to 10,000</b>	<b>45p</b>	<b>24p</b>	<b>20p</b>
<b>Over 10,000</b>	<b>25p</b>	<b>24p</b>	<b>20p</b>

- 10.17 Members of staff receiving an Essential Car Users allowance shall claim the above rates. As the allowance is paid through PAYE all mileage claims are paid via Accounts Payable subject to any 'other' deductions.
- 10.18 Your own vehicle should only be used for trips under 100 miles. If this is exceeded, you can only claim 13p per mile over the first 100 for each round trip. Passengers can be claimed for at a rate of 5p per mile.

Air Travel

- 10.19 Economy class flights is the preferred option, but in exceptional circumstances, business class may be considered by the DPFR or nominee if supported by the Head of School or Directorate. Tickets for flights should be ordered with one of the University's approved travel agents. However, if a cheaper flight can be booked elsewhere, and the approved agent cannot match this, an alternative can be used, provided that a written quotation has been obtained from the approved travel agent(s). If a member of staff books tickets online with their credit card, this can be reimbursed on an expense claim form. A brief explanation should be noted on the form stating the reasons for not using an approved supplier and the written quotation from the approved supplier(s) must be attached to the expense claim. The ownership of air miles remains with the University and should be used only for future University business air travel.

"Other" Travel Costs

- 10.20 The cost of parking, bridge tolls and congestion charges (for entry to London) can be claimed, and receipts should be obtained where possible.
- 10.21 Underground tickets can also be claimed even when ticket machines keep tickets.
- 10.22 Parking, speeding fines and any other motoring offences will **NOT** be reimbursed under any circumstances.
- 10.23 Taxis should only be used when other forms of public transport are not available or suitable. If a School/Directorate has an account with a taxi company, a record should be kept of each trip and its purpose.

Subsistence - UK

- 10.24 Actual expenses incurred (supported by original receipts) may be claimed using the following notes as a guideline:

	<b>Provinces</b>	<b>London</b>
	<b>£</b>	<b>£</b>
<b>4 – 6 hours</b>	<b>6</b>	<b>6</b>
<b>6 – 12 hours</b>	<b>17</b>	<b>20</b>
<b>12 – 24 hours</b>	<b>30</b>	<b>40</b>
<b>Overnight</b>	<b>110</b>	<b>150</b>

- 10.25 Subsistence should cover any meals, drinks (non-alcohol unless with a meal) and cost of accommodation while on University business. If a third party gives overnight accommodation to a member of staff, they may pay the third party up to half the overnight subsistence allowance but proof of receipt of payment will be required.
- 10.26 If away from home for some time, reasonable expenses for laundry and dry cleaning may be reimbursed. Personal telephone calls may be reimbursed if the Head of School/Director, and DPFR deems them reasonable.
- 10.27 Subsistence expenses will **NOT** be reimbursed for meals taken in Cardiff unless staff are located outside Cardiff.

#### Subsistence – Overseas

- 10.28 All claims for overseas expenses must be authorised by the Head of School/Director or authorised nominee on a Request to Travel Overseas form.
- 10.29 All overseas travel must be approved in advance by the Head of School/Directorate, and a Request to Travel overseas form completed and sent to the Accounts Payable Section.
- 10.30 Subsistence rate allowances are not provided for overseas trips, as day to day costs can vary greatly between countries. Reasonable actual expenses incurred will be reimbursed, but if you are visiting a country where receipts are not always provided, a written explanation must be given, and a breakdown of expenditure listed on the claim form. It is accepted that up to £3.50 per day can be claimed to cover ‘tips’ when visiting countries such as India, Malaysia and Bangladesh where this is the expectation.
- 10.31 If away from home for some time, reasonable expenses for laundry and dry cleaning may be reimbursed. Personal telephone calls may be reimbursed if the Head of School/Directorate, and Finance deems them reasonable.
- 10.32 When hospitality is offered by staff on overseas trips, the claim must state the names of those attending, the business relationship and purpose for the hospitality. Hospitality must be of real benefit to the University and not just general goodwill. In exceptional circumstances, a claim may be made for a gift or memento presented to hosts on overseas trips if the Head of School agrees it is for marketing purposes or a tradition in a particular country.

#### Travel Advances

- 10.33 Advances for a minimum of £100 for costs towards travel (excluding air fares) and subsistence can be made subject to the prior approval of the Head of School/Directorate using the Request to Travel Overseas form (EXP4) clearly stating the purpose of travel.
- 10.34 Staff or students must sign a declaration that they will complete an ‘Overseas Travel Advance Reconciliation’ within sixty days of the return date.

- 10.35 Advances will be made no sooner than 2 weeks before the travel date, and a new advance will **NOT** be given if there are any overdue amounts.
- 10.36 A statement of account (EXP5) must be completed within 60 days of return, reconciling the amount with all receipts and completing a breakdown of expenditure. Evidence of currency exchange rates must also be given.
- 10.37 If the statement of account (EXP5) is not received in Finance within the 60 days, a reminder will be sent to the claimant and the School/Division administrator giving 14 days to complete the statement of account. Any claims still outstanding after this time will be charged to the School/Directorate following notification to the administrator and Head of School/Directorate.

#### “Other Claims”

- 10.38 If a member of staff/student purchases goods or equipment using personal funds, a claim may be made, but a reason must be provided why an official order and procedures were not used. Any items over £500 must be recorded on the School/Divisional inventory.

#### Telephone Calls and Line Rental

- 10.39 The cost of calls made on University business on your home or mobile phone can be reimbursed by submitting an expense claim to Accounts Payable with a copy of the relevant bill. The cost of line rental or mobile service charge cannot be paid by Accounts Payable as this is classed as a benefit in kind and subject to tax and NI. The only exception is if you have a separate line which is used wholly and exclusively on University business.

#### Broadband Costs

- 10.40 The cost of Broadband is classed as a benefit in kind and subject to tax and NI. Any claims should be made through Salaries. The University does have a dispensation, which allows reimbursement if the employee, as part of his/her contract, has to carry out some duties at home and the private use is not significant compared with work use. Requests for payment under this dispensation should be sent by the Head of School or Directorate to HUMRS for payment via monthly salary.

#### Expenses of External Consultants and Examiners

- 10.41 Expense claims from external consultants/lecturers etc. are subject to the University Financial Regulations on Travelling Expenses, Subsistence Allowances and Hospitality. Heads of School should ensure that it is clearly understood prior to the visit being undertaken which expenses are allowable.
- 10.42 External examiners receive the scale of allowances approved by the University of Wales. As certain hotels have entered into arrangements with the University of Wales Purchasing Consortium, Schools must ensure that when making bookings on behalf of examiners they do so at an establishment where rates are within the scale of allowances. No excesses will be paid and the hotel must be paid for by the examiner.

#### Field Courses

- 10.43 Where a member of staff has been delegated as organiser of a field course, he/she may be granted an advance. Any financial contributions from students should be receipted.

### Professional Indemnity for Clinical Academic Staff

10.44 The terms and conditions of clinical posts make clear that all clinical staff are required to hold appropriate professional indemnity from one of the medical protection organisations in respect of clinical activity not covered by NHS indemnity. Where members of staff carry out private practice in order to generate funds for their School/Division, they are entitled to recover the resultant additional cost of obtaining professional indemnity.

10.45 NHS indemnity can be defined as:-

"NHS indemnity will cover negligent acts by all medical and dental academic, research and other staff who hold NHS contracts with Health Authorities in connection with the treatment of NHS patients in the hospital, community health services and Public Health Medicine. In addition to patient care the activities to be covered will include teaching, research and clinical trials involving NHS patients. Other work done by clinical academic staff and the activities of pre-clinical staff will not be covered by NHS indemnity. It is understood that negligent acts by students in connection with the treatment of NHS patients acting under the supervision of clinical academic staff who hold honorary NHS contracts, will be covered by NHS indemnity."

10.46 Clinical staff may reclaim part of the cost of obtaining professional indemnity under the following conditions:-

- a) All clinical staff are required to hold appropriate professional indemnity from one of the medical protection organisations in respect of all clinical activity not covered by the NHS indemnity;
- b) The cost of obtaining the basic level of cover provided by the medical protection organisations is deemed to be a personal expense and is therefore not reclaimable from any fund held by the University (in respect of staff employed in the Department of General Practice, the basic level of cover is deemed to be one third of the total cost of cover);
- c) The cost of obtaining cover in excess of the basic level may be reclaimed from the University, provided that the income generated by the additional work has been paid into a fund held by the University;
- d) The individual is required to make payment to the medical protection organisation in the first instance and to then seek reimbursement from the University for the appropriate amount;
- e) The cost of reimbursement will be charged against the fund into which the income generated by the additional work has been paid;
- f) Claims will be made on the prescribed form and authorised by the Head of School.

### Professional Fees

10.47 Professional membership fees are not re-imbursed with the exception of the Higher Education Academy.

### Eye Tests

10.48 Under Health and Safety legislation, Cardiff University (the employer) is required to provide members of staff who are "users" of display screen equipment (DSE) with an

eye and eyesight test. Users of DSE should also receive ongoing regular re-testing every 2 years or sooner when recommended by an Optometrist.

- 10.49 Eyesight tests should be carried out by the School of Optometry, and charged to the School/Division via an Oracle internal trade order. Approval for eye and eyesight tests must be obtained in advance from either the Head of School or Directorate, or other appropriate authorised person.
- 10.50 The University will also contribute £50 towards the cost of glasses or contact lenses **if:**
- a) They are used **specifically** for DSE use.
  - b) Your normal glasses or contact lenses include a “**special**” prescription for the distance at which the screen is viewed.
- 10.51 If you normally wear corrective appliances for other uses e.g reading, writing, driving, watching TV etc., where these corrective appliances are also suitable for DSE work then the contribution cannot be claimed. However, if additional corrective appliances are required to correct vision defects at the viewing distances used specifically for DSE work then the contribution can be claimed.
- 10.52 Evidence from the Optometrist will be required to support any claim for the additional contribution.

## D.11 DEPARTMENTAL BANK ACCOUNTS

11.1 Departmental Bank Accounts should **not** be used to pay for regular supplies of goods or services and staff expenses. Use of the DBA is restricted to:

- (a) small or 'one off' payments (up to £500);
- (b) fuel/oil for University vehicles;
- (c) cash and carry purchases.

Departmental Bank Accounts must **not** be used for the following:

- (a) Wages/Salary/Fee and Staff Expenses payments;
- (b) Advances or loans to staff or students;
- (c) Postage - i.e. franking machines stamps etc;
- (d) Foreign Payments;
- (e) Receiving money;
- (f) Entertaining members of staff;
- (g) Provision of beverages other than for visitors;
- (h) Gifts or presents to staff or students;
- (i) Making payment to or entertaining members of staff who are leaving.

11.2 Departmental Bank Accounts may only be opened on the authority of the DPFR.

11.3 The Head of School should be the cheque signatory but up to two other designated signatories within the School may be authorised to sign if necessary. Additional signatories may only be authorised in cases of prolonged absence. Pre-printed cheque books are obtainable from the Accounts Payable Section, FINCE. Any amendments additions to signatories must be submitted on a form supplied by the University bankers which can be requested from the Accounts Payable Section.

11.4 Accounts must not be overdrawn.

11.5 Departmental Bank Accounts are operated on an imprest basis with reimbursement as and when necessary. Documentary approval should be sought from FINCE on occasions where it may be necessary to exceed the permitted DBA balance. Claims for reimbursement must be forwarded to FINCE with **original** documents authorised for payment, certified as to price/receipt etc. and coded. Photocopies of cheques should also be included. Where VAT on invoices may be reclaimed, such invoices should be coded appropriately, submitted via the normal Accounts Payable procedures, and not submitted via the DBA. Departmental Bank Accounts **must** be reconciled monthly even when a reimbursement is not required. Any breaches of these rules will lead to the DBA facility being removed.

11.6 Reimbursement will be made via BACS and account holders will be advised of the credit via a BACS advice.

11.7 Cheque books must be kept under appropriate secure conditions as any losses incurred will be a charge on School funds. Spoilt cheques must be cancelled and retained.

11.8 Outstanding cheques issued over 6 months ago should be stopped. Accounts Payable can provide further advice.

11.9 Requests to increase an imprest account should be made in writing to the DPFR.

## D.12 PURCHASING

### General Procedures

- 12.1 All purchases must be made on the basis of proven 'best value for money' for the 'whole life cost' of the required product or service. This must take into account the required levels of quality and performance, together with the purchase price, financing costs, running costs, maintenance costs and disposal costs as appropriate. Fair competition should be employed at all times. This is legislated for in EU Directives, but the same principles should apply to all purchases.
- 12.2 Competitive quotations or tenders must be employed whenever possible and, as required by University Financial Regulations for all goods and services including sub-contracts. If an existing University or Public Sector contract is available which has itself been awarded by competitive methods then that agreement can be employed without seeking a further tender. The Purchasing Section should be contacted for current information on the availability and use of external contract arrangements.
- 12.3 All official purchase orders above £10,000 in value must be routed through the Purchasing Section for countersigning by the Assistant Director of Finance-Purchasing (ADFP) or nominee via Oracle before forwarding to a supplier. This procedure applies even if the supplier is an official contractor. This is to ensure that the correct prices and terms are stated on the official order and that any specific supplier negotiation opportunities have been considered. Also, exceptionally, if a quotation or tendering procedure cannot be followed for specific reasons on which a proposed waiver is based, either the ADFP or nominee will need to review the rationale and approve, or query, the proposed purchase. The standard form 'Over £10K waiver form' (available via <http://www.cardiff.ac.uk/purch/>) should be completed and be attached to the purchase order routed to the Purchasing Section. The ADFP has delegated authority to stop a proposed School/Directorate order if it can be shown that an identical product or service can be obtained from an alternative source of supply at a better overall value, given the same or better guarantees of delivery, price stability, warranty, training, customer support etc. and subject to any pre-existing contractual liability. The ADFP must inform the School/Directorate if an order has been stopped. In the event of a disagreement between the ADFP and a Head of School/Director about a proposed order the DPFR must be consulted.
- 12.4 Purchases shall be made with organisations listed by the Higher Education Purchasing Consortium for Wales (HEPCW), usually via reference to the Procureweb 'Central Universities Procurement Information Database' (CuPID) <http://www.cupid.ac.uk/Application/Home.aspx>. Alternatively, subject to guidance from the Purchasing Section, purchases may be made under suitable collaborative framework agreements available via the OGC Buying Solutions etc. In such cases, it may be legally necessary to carry out a formal mini-competition for certain supplies and services, and PURCH should be involved in that process to ensure compliance. In cases where the requirement is such that this is not possible, and the purchase exceeds £500, the procedure outlined in paragraph 14.1 below should be followed.
- 12.5 Purchasing contracts which are available from the various public sector agencies must be supported whenever possible. These include any national university agreement with major national or multinational suppliers, and government agencies. Individual School agreements are available for use by all other Schools as required. The ADFP should be consulted to check the validity of such external contracts and for proposed purchases of significant volume/value where there may be an opportunity to negotiate special terms.
- 12.6 The ADFP must be consulted by budget holders to obtain advice and assistance at the commencement of a project in any intended purchase which is either not covered by an

established official contract, or is of sufficient magnitude to seek special terms. This is particularly relevant to proposed purchases of research equipment where funding has been partly or wholly provided by a Funding Council, Research Council, and/or the Wellcome Trust. These funding bodies have various procedural requirements, as part of their grant award process, that involve the university's "head of purchasing", and some common equipment purchases may form part of large collaborative projects. The Purchasing Section must be involved as early as possible in any project to enable relevant and timely support to be provided.

- 12.7 Centralised ordering arrangements must be used to maintain both the economies of scale and consistent procedures in dealing with approved suppliers.
- 12.8 Purchasing procedures must follow a standardised format using common quotation/tender and order documents approved by the DPF and obtainable from the ADFP.
- 12.9 Purchasers must ensure that they are thoroughly familiar with any supplier's Terms of Trade/Conditions of Contract; a verbal order or a signature on any piece of a supplier's stationery is legally binding. Special care is recommended in areas where no formal contracts exist with the University or if the supplier is not approved. If in doubt, the ADFP must be consulted before signing anything.
- 12.10 School/Directorate purchasers should notify the ADFP where an opportunity may exist for improved purchasing of any product range so that offers can be pursued on a University-wide or Regional basis.
- 12.11 The University has established a policy of environmental responsibility, which requires it to give reasonable priority to suppliers who have created, or propose to create, appropriate environmental policies governing their own business activities. The University reserves the right at its sole discretion to apply environmental factors in any contract award. School/Directorate purchasers should liaise with the ADFP in any situation where environmental factors apply, or may apply, to any purchasing decision.
- 12.12 The University is required by the Welsh Assembly Government to conduct a Sustainability Risk Assessment for all Goods and Services tendering exercises that exceed the EU Procurement Directives threshold (see PURCH website for current thresholds that are revised every 2 years). This assessment is intended to ensure that environmental, social and economic (sustainability) issues are assessed, understood and managed in all key procurement decisions that relate to the procurement of Goods and Services. The Purchasing Section is happy to contribute to any Sustainability Risk Assessment which should be carried out as early as practically possible by the lead School/Directorate in the development of any appropriate procurement project and the ADFP should be contacted initially.
- 12.13 The increasingly available public facility to order goods or services electronically (e.g.: purchase cards, e-procurement), via the Internet, does not infer that the University's purchasing regulations may be set aside. Electronic ordering is only a different carrier (from post or facsimile) and the importance of observing best practice, for legal and financial reasons, cannot be overstated. The University is collaborating with other institutions across the HE Sector, to develop approved facilities for use of purchase cards and/or e-procurement where appropriate.

## SPECIFIC PURCHASES

### Furniture and Furnishings

12.14 Schools/Directorates should order furniture from a list of standard furniture available from the Purchasing Section. Additionally the Purchasing Section should be involved at an early stage where special requirements are not met by established arrangements, or where a project involves close co-ordination to meet a deadline or where the order value may provide the opportunity for additional discounts to be negotiated.

### IT Equipment (inc. Software)

12.15 All proposals in connection with the following must be referred to and be approved by the Director of Information Services prior to commitment:

- a) Computer hardware and software costing more than £10,000 for any one item or recognisable configuration.
- b) All data communication equipment excluding facsimile machines.
- c) All equipment to be linked to the Local Area Network.

12.16 The Information Services Licensing Officer is available to provide advice on terms and conditions of individual licences and will act a broker for Schools collaborating on software purchases. In offering this advice, INSRV is acting as an agent for the University ensuring the suitability of licence agreements and that the University is gaining favourable terms in all software purchases. INSRV must also be given the opportunity of quoting for the maintenance and operation of equipment.

12.17 Formal contracts exist for desktop computing equipment, laptops, printers, general computer maintenance, Apple computers (under Consortium arrangement) and for file servers. Details can be obtained from either the Computing Centre or the Purchasing Section. Purchase orders must be directed to one of the official contractors, unless specialist requirements cannot be satisfied by those contracts. In such cases, the Director of Information Services and the ADFP must be consulted.

### Building Works and Equipment

12.18 Heads of Schools/Directors shall not engage the services of consultants or craftsmen in connection with the fabric or main services of any building. All relevant enquiries should be directed to the Estates Division.

### Office Machinery (e.g. Photocopy, Franking, Facsimile Equipment)

12.19 There are formal contracts and/or framework agreements established for nearly all types of office equipment. These contracts offer competitive prices for good quality equipment and seek to avoid many of the costly pitfalls of long-term leasing agreements, onerous maintenance agreements etc. Advice should be sought from the Purchasing Section for any requirement costing more than £500.

### Motor Vehicles

12.20 Proposals for purchase, lease or contract hire of motor vehicles should be made in conjunction with the ADFP, by Heads of School/Director to the DPFR. Regard must be taken of the following:

- (i) Written justification will be required before the acquisition of a vehicle will be sanctioned. The justification should include alternative methods of financing, i.e. outright purchase, lease or hire.
- (ii) The use of vehicles travelling less than 3,000 miles pa on University business should be reviewed to determine whether or not continued operation is justified. The administrative records which need to be maintained for each vehicle include dates used, miles/trip, details of trip, driver and operating costs.
- (iii) When a vehicle has travelled less than 3,000 miles pa on University business there is a prima facie case for disposal.
- (iv) The motor vehicle purchased must be a standard model as agreed with the ADFP.
- (v) The DPFR in conjunction with the ADFP will agree the method of acquisition.
- (vi) The Insurance Officer must be promptly informed of a new vehicle purchase by the relevant School/Directorate to ensure its inclusion in the University's vehicle insurance policy.
- (vii) The Insurance Officer will carry out an annual review of all University driver authorisation forms to ensure that there has been no change in the licence details re. penalty points or medical conditions.

#### Books, Journals, Maps, Periodical Subscriptions and Other Printed Media

12.21 Orders must be made through INSRV, where books, journals, etc. are destined to go into stock in the Library, so that a record can be maintained in the Library Catalogue and discounts available to the Library obtained. Where Schools/Divisions wish to order 'bench books' or similar, which are not for the Library, the orders may be placed direct to the supplier. It should be noted that Consortium contracts apply for more text book and journals requirements. Details are available from the Purchasing Section.

#### Stationery

12.22 There are established Consortium contracts for Stationery and orders should be placed accordingly. Details are available from the Purchasing Section.

12.23 For letterheads and other printed stationery, orders must be placed through the Media Resources Centre Print Unit (MRCPU), INSRV, c/o 30-36 Newport Road. Requests should include either a sample of the document to be printed or the details you require via the internal post to the address above, or, the documents can be faxed (2033 5268), alternatively they can be emailed to [Print@cardiff.ac.uk](mailto:Print@cardiff.ac.uk)

12.24 Upon completion of artwork/design approval, the order is to be raised on Oracle and sent to INSRV Printing. Standard turnaround time on orders placed before the Friday of that week will be returned with 10 days.

#### Telephones, Switchgear and Fax Machines (connection)

12.25 All requests for and alterations to telephone services and equipment (including BT charge cards, mobile phones, radios and paging systems) must be made to the University Telephone Services Manager, Information Services (INSRV) following authorisation by the Head of School/Director. The Purchasing Section will advise on

mobile phone agreements and should be consulted for details of appropriate air-time contracts.

- 12.26 Mobile phones should be acquired only where it is essential for the efficient conduct of official business. They should be ordered using the University's official order form. The University will not under any circumstances reimburse individuals through the expenses system for the purchase, lease, line rental or any other use of mobile communications. Any member of staff who has been issued with a mobile telephone or other means of mobile communication is responsible for reimbursing the University, in full, for any private or personal use made.
- 12.27 The provision of any mobile communication device must be sanctioned by the Head of School/Director irrespective of the source of funds, and must be supplied by the supplier(s) approved by PURCH. In the event that a mobile communication device is to be provided for use by a Head of School/Director, this should be authorised by a Pro Vice-Chancellor or the Vice-Chancellor. The Head of School/Director is responsible for deciding upon the appropriate mobile communication device that should be provided for his/her staff to meet the University's business needs. Under no circumstances should any member of staff be provided with more than one mobile communication device at the expense of the University. [Note: Users are required to pay all private use of BT charge cards and telephones.]
- 12.28 Itemised billing records must be attached to the associated mobile phone accounts submitted for payment to FINCE.

#### Appraisal Criteria for Major Projects

- 12.29 The University has developed a project management framework which should be complied with. Further details and copies of the framework can be obtained from PLANN.

#### Standardisation

- 12.30 Purchasers must liaise with the ADFP and other appropriate persons to achieve standardisation of product and service specifications wherever possible. Fragmentation of ordering, amongst a wide range of suppliers, for similar goods/supplies reduces the scope for effective negotiations, prejudices value for money and complicates supply arrangements.

#### Major User Purchasing

- 12.31 Where one School/Directorate is substantially the major user of a specific group of products or services, then the major user may negotiate on behalf of the University in consultation with the ADFP and other users.

#### Equipment Maintenance and Repair

- 12.32 Maintenance agreements for equipment must be arranged through the ADFP to take advantage of approved suppliers' abilities to undertake work on all equipment of a similar nature, with a view to reducing overall costs and maximising efficiency.

#### Official Orders and Internal Requisitions

- 12.33 These documents must clearly indicate the nature and quantity of the products, work or services required and the contract/quotation reference and expected price. It should be noted that the reverse of all official orders contains reference to the University's Standard Conditions of Contract. This is important for legal reasons in defending the University's position in the event of a dispute with a supplier. It is essential that faxed

orders include the reverse of the order form and that the two faxed sheets are identified as comprising one document.

#### Monopoly Suppliers

12.34 Where goods and services are available only from a limited number of suppliers or from appointed agents where a manufacturer controls the price structure or availability of goods, competition should be encouraged by actively inviting potential suppliers to enter the market, adjusting specifications where possible.

#### Use of Consultants

12.35 The Purchasing Section holds several alternative models of Consultancy Terms & Conditions covering most eventualities ranging from relatively simple requirements to major projects. The advice of the ADFP should be sought before committing the University to consultancy services.

### **D.13 EVALUATION CRITERIA FOR GOODS AND SERVICES TENDERS**

- 13.1 It should be noted that, in tendering exercises involving EU Directives, the procedure for identifying and applying evaluation criteria is particularly important not only because ‘fair treatment’ is a legal requirement, but also because it forms the basis of debriefing tenderers after the exercise.
- 13.2 In all cases, the university’s Purchasing Section is available to contribute at an early stage in advising on the conduct of tendering exercises, the design and application of evaluation criteria, and in debriefing suppliers. Computer applications are available to assist the construction and calculation of “whole life cost”.
- 13.3 Depending on the type of goods or services being tendered, the tender evaluation criteria may include:
- The pre-qualification of the supplier;
  - The quality of the submission, particularly in understanding and meeting the requirements of the Specification, and the resultant confidence level in the tenderer (e.g. demonstrable understanding of the requirement, track record, relevant project history, strength of the management team, level of resources, etc.);
  - The criticality of the service (confidence in hand-over arrangements might be a factor, where it can be quantified);
  - Ideas for improving the service. While such ideas may be valuable, they may raise the issue of a non-compliant bid (i.e. substantially at variance with the Specification) that offers an improvement over the Specification. Non-compliant bids should only come into consideration after the evaluation of compliant bids has identified a front runner against which it can be compared. A non-compliant bid can be dismissed for many reasons (for example, that the idea is considered unworkable; it is below an acceptable standard; it offers no advantage to the Specification as issued; or it involves unacceptable risks). A non-compliant bid should not be accepted if the other tenderers could equally well have priced the proposal had they known that it would be given consideration. If this was the case, it would call into question the wording of the original Specification and the other tenderers should be invited to submit their corresponding offer;
  - Customer Service including aspects of delivery, after sales service and/or technical support service etc.;
  - Technical or artistic evaluation of products or services including aspects of quality, reliability, design, performance, range of products etc.;
  - Research and development (where appropriate);
  - Site visit (where appropriate), particularly in a production or warehousing environment, where operational efficiency, resources etc. are important factors;
  - Price, not usually the ‘net unit buying price’ but “whole life cost” which takes into account the buying price, warranties, maintenance, consumables, disposal etc.
- 13.4 Each element of the criteria should be identified and be applied consistently for all suppliers and by all members of the evaluation team. The results from each evaluation

should be fed into an overall evaluation matrix to ensure selection of the most appropriate supplier to meet the expressed requirements.

## D.14 QUOTATION/TENDERING PROCEDURES

### General University Requirements

- 14.1 Purchases between £500 to K£5 (excluding VAT) should normally reflect the most competitive of at least 3 quotations (verbal, written or electronic (on-line)) to test best value for money. Purchases between K£5 and K£30 (excluding VAT) should not rely on verbal or electronic (website) prices, but normally require a minimum of 3 formal written quotations similarly to demonstrate (i) that best value has been obtained and (ii) that the supplier has quoted for a defined specification, in case of subsequent dispute. The value refers to the entire order value irrespective of the number of items contained on the order. Where the requirement is such that quotations or tenders are demonstrably impractical eg: ‘non-contracted single source of supply’, the Head of School/Director must ensure that the reason(s) for placing the order with the supplier is/are recorded via attachment of a document to the requisition on Oracle. In all such cases, Schools/Directorates shall ensure that items are competitively priced – all other things such as warranty etc. being equal - in consultation with the ADFP.
- 14.2 Purchases of all goods and services of above K£30 (excluding VAT) will require a minimum of 3 sealed tenders (ref: D.14.7). This will relate to all purchases of equipment, furniture, building works and all other services (excluding those where the funding source has a requirement for a lower threshold, e.g. some Research Grants have a K£25 threshold).
- 14.3 Purchases of goods and services above £156,442 excl. VAT (variable every two years as advised by PURCH) are subject to European Union (EU) Directives and details which must be referred to the ADFP. Sub-contracting arrangements are also covered by the Directives. EU legislation (and related UK law) requires the adoption of defined alternative purchasing procedures and timetables which can be as long as 80 days, plus the University’s time. Prior to drawing up the specification it is essential that a Sustainability Risk Assessment is carried out to comply with HEFCW requirements. The appropriate PURCH officer who is managing the contract will need to arrange this in liaison with the PI. The Remedies Regulations also apply with legally enforceable penalties, including the potential for contracts to be set-aside. Therefore it is **vital** that the ADFP is involved at the commencement of projects to provide relevant advice and assistance.

### Quotations

- 14.4 Whenever 3 written quotations cannot be obtained for a proposed order between K£10 and K£30 (excluding VAT), the form “Request to Approve Purchase Order >K£10” must be completed and sent to the ADFP. This is obtainable from the Purchasing Section’s website <http://www.cardiff.ac.uk/purch/>.
- 14.5 The lowest quotation should normally be accepted. If the lowest quotation is not accepted, the form “Request to Approve Purchase Order” (as in (b) above) must be completed.
- 14.6 Similar provisions apply for replacements for stolen goods.

### Tenders

- 14.7 The standard procedures for all purchases of goods and services including consultants are:
- (a) All purchases above K£30 (excluding VAT) will require a minimum of 3 sealed tenders whether received by the University’s approved electronic

tender system (In-Tend) or in hard copy. All those invited to tender should be notified that:

"No tender will be considered unless it is enclosed in a pre-addressed envelope with a reference number to enable the tender to be identified or submitted by the secure electronic tender system (In-Tend)".

- (b) The DPFR must be informed of the date of return of tenders. Completed tenders are to be returned direct to the DPFR, who will record the date and time of receipt on the envelope or via the University's electronic tendering system (In-Tend).
- (c) The DPFR will maintain a Tender Register with the following information: tender identification, date of opening, time of opening, purchase/project detail, budgeted cost, University Officer responsible, contractors/suppliers invited to tender, date/time tenders received, the value of the tenders received, signatories and titles of the University Officers attending at the opening should record the tender accepted and reasons for acceptance of any tender other than the lowest accepted.
- (d) Tenders should be kept secure until the time and date specified for their opening. No tender received after the time and date specified shall be considered unless with the written authority of ADFP, FC or DPFR.
- (e) Copies of all tenders received together with all correspondence with those invited to tender should be retained on file for a minimum of two years
- (f) Tenders having a budgetary value not exceeding K£500 when the award criterion is 'Price' only or, alternatively, all tendered bids that require evaluation against a range of criteria (when the tender opening process is only to record bids received and no bids), may be opened in the presence of two Senior University Officers not directly involved in the tender.
- (g) For tenders with a budgetary value of K£500 or more, where 'Price' is the only award criterion, there shall be present at the opening, and in addition to those named in (f) above, the Vice-Chancellor or nominee.
- (h) Where difficulty is experienced in complying with tender requirements a report with recommendations should be submitted to the DPFR or nominee and if necessary a subsequent report made to the Audit Committee.
- (i) Where a tender is received after the specified time/date and not accepted as in d) above, it should be returned to the supplier, with an explanatory letter marked "too late for consideration".
- (j) Where no tender is received, the person or firm invited to tender should be advised that the contract has been awarded and that no tender was received from them.
- (k) In a case where the products or services are of a technical nature requiring specialist knowledge, a School/Directorate, other than the Purchasing Section, may carry out the analysis of tenders after they are opened. The ADFP, or nominee, must be consulted at all stages of the post-tender process and especially if contact is required with tenderers for bid clarification. The Purchasing Section **must** be given a copy of the analysis before any award is concluded.

- (l) If other than the lowest offer is to be recommended, reasons must be given in writing to the ADFP. He will add comments appropriate to the circumstances and refer the matter to the Vice-Chancellor or the DPFR.
- (m) The successful tenderer shall be notified as soon as possible after the closing date that the bid has been successful, unless the tender is subject to the EU Directive, in which case a 10-day mandatory standstill shall apply to the award.
- (n) Whenever 3 tenders cannot be obtained for tenders above K£30 (excluding VAT), the form "Request to Approve Purchase Order > K£5" must be completed. This is obtainable from the Purchasing Section.
- (o) There may be occasions when the extent or nature of the work or service to be undertaken by the contractor will need to be amended after the formal acceptance of the tender. If the value of such variance is, or is likely to be, in excess of 10% of the original price, formal authority to change the value of the contract must be obtained, via the DPFR, from the Vice-Chancellor on the advice and recommendation of the relevant Pro Vice-Chancellor. All alterations to contract specifications and/or prices must be confirmed in writing. The DPFR will periodically provide an analysis of reasons for contract variations in excess of 10% on estates matters for consideration of the Audit Committee.
- (p) Where the University is contracted, or has agreed, to receive goods and services under a Framework Agreement (i.e.: where orders may be placed under a call-off arrangement and the overall contract value requires/required compliance with EU Directives, competitive tenders must be considered at least every four years. Also, either one supplier or more than two suppliers may be contracted. It will not be permissible under proposed legislation to award a framework agreement to two suppliers. Tenders relating to finance related matters will be returned to a Senior University Officer independent of FINCE and opened by two Senior University Officers who are independent of FINCE.
- (q) Where a tendered contract is extended beyond its normal limit (within the overall four-year limit in (p) above), details of the comprehensive market assessment undertaken and appraisal of the existing supplier's performance to date, should be referred to the Audit Committee.

#### Documentation - Tenders/Quotations

- 14.8 Tenders and quotations must be kept for a minimum of two years after the end of the financial year in which the associated purchase took place and the action taken (with reasons) must be adequately documented by the person responsible and logged with the ADFP.

**D.15 METHOD OF FINANCING I.E. HIRE, LEASE, OUTRIGHT PURCHASE**

- 15.1 Those responsible for obtaining goods should be aware that outright purchase is not always the most appropriate method of procurement.
- 15.2 Where it is apparent that an item will only be required for a specific occasion or for a limited period, the hire option should be pursued. The final decision will take into account the availability of the item on hire, the relative costs of hire and purchase, general convenience factors and whether the items can reasonably be used elsewhere in the University once initial use is completed.
- 15.3 The possibility of leasing should always be considered. Over the life of an item, leasing is likely to be significantly more expensive than an initial outright purchase. Nevertheless it may be the correct acquisition method where it is possible to terminate the arrangement well within the life of the item and the item either carries a high maintenance liability or because it depends on technology which is still developing and is likely to become obsolete within its useful life span.
- 15.4 Each acquisition decision must be made in the light of the available methods of finance. Where there is a possibility that outright purchase is not the appropriate method, an investment appraisal should be undertaken in liaison with FINCE/PURCH. All Leasing Agreements are subject to the approval of the DPFR (or nominee) to safeguard general University interests.

## **D.16 STOCKS AND STORES CONTROL**

### Internal Requisitioning

- 16.1 Where stocks are held either in a central store or School stores, items should be requisitioned internally as the sole source of supply.

### Stockholding

- 16.2 Centralised or School stores should only hold stock complying with the following criteria:-

(a) Essential Goods

Those items whose immediate availability is considered essential to maintain a University service; or,

(b) Bulk Purchased Supplies

Items of sufficient demand in common use which offer a significant reduction in cost over smaller direct supply quantities taking account of stockholding costs, security of stocks and proper stock issuing procedures.

### Stores Procedures

- 16.3 All items dispensed from the central or School stores must be documented in accordance with proper stock control procedures. In each case a requisition form should be completed by the recipient and retained by the stores. Records must be cross-referenced to allow an item to be traced from the initial order and subsequent payment of invoice through to its eventual use.
- 16.4 Write off of damaged/obsolete items must be properly authorised by the Head of School/Director. Stores must be kept in a tidy fashion with contents grouped logically. Stores should be secure with only individuals authorised by the Head of School/Director to enter or allowed access.
- 16.5 Stores procedures are designed to cover regulation of stock movements and levels and to provide adequate management information numerically and financially. Annual stock checks carried out at year-end in accordance with agreed procedures to reconcile the closing balance with the opening balance taking into account stock received, stock issued and stock written off or otherwise disposed of must be carried out within the School/Directorate by personnel independent of the store keeping function. Reconciliations and valuations (at cost) will be audited periodically by FINCE.
- 16.6 Shelf life, stock level and rate of consumption should be reviewed regularly within the School/Directorate to reduce wastage, stock holding, capital invested and storage space with an annual report made to FINCE.

**D.17 RETENTION OF RECORDS**

<b><u>Prime Documents</u></b>	<b><u>Retention Period</u></b>
<b><u>Accounts Payable:</u></b>	
Orders	6 years
Suppliers' invoices and payment vouchers	6 years
Remittance advices	6 years
Journals	6 years
Cancelled cheques & input forms	2 years
Direct payments input forms	2 years
Payee reference amendments	1 year
<b><u>Income:</u></b>	
Receipt books	6 years
Bank statements	6 years
Paying-in slips	6 years
Income vouchers	6 years
Debtor name and address input	2 years
Cash sheets	Indefinite
Tuition fees computer ledger	Indefinite
Student maintenance grant assessment letters	2 years
Student maintenance grant signature sheets	2 years
Tuition fees ledger	Indefinite
Debtor sales invoice requests	2 years
Till Rolls	6 years
<b><u>Management Accounts:</u></b>	
Bank statements	6 years
Bank reconciliation statements	6 years
Year-end creditors returns	6 years
Financial accounts funds	Indefinite
Financial accounts tabulations	Indefinite
Stock sheets	6 years
Accounts working papers	10 years
Estimates/Allocations working papers	10 years
Inventory returns	10 years
<b><u>Salaries and Wages:</u></b>	
Time sheets and other input documents	7 years
Engagement/termination of employment forms	7 years
Bank statements	7 years
Gold forms	7 years
Demonstrating claim forms	7 years
Personnel change forms	7 years
<b><u>RACDV:</u></b>	
Research files	Indefinite
<b><u>Schools:</u></b>	
Orders	7 years
Import/Export Documents	6 years
Tender/Quotation Documentation	2 years
Delivery notes and goods received notes	1 year

**Catering:**

Till roll slips	6 years
Catering sheets	6 years
Any other items not listed	6 years

**D.18 DISPOSAL OF GOODS**

- 18.1 The ADFP should be contacted for advice on the disposal of unwanted goods, either to obtain best value, or for safe disposal arrangements (see also D.28.8-D.28.16)

## **D.19 INDUCEMENTS**

- 19.1 All purchasers of goods and services must abide by the Ethical Code of the Chartered Institute of Purchasing & Supply, a copy of which is obtainable from PURCH.

### Business Gifts

- 19.2 The University's general rule is that gifts must not be accepted and items for personal use must be declined.
- 19.3 However, items of very low intrinsic value (not exceeding £10 per person per annum) may be accepted, such as business diaries, books, calendars, telephone pads, biros etc. which are part of a supplier's normal marketing initiatives.
- 19.4 ADFP will maintain a register of gifts and hospitality received where the value is in excess of £35. It is member of staff's responsibility to inform ADFP of any such gift or hospitality, which includes any significant 'free' gift supplied as a promotional item with goods or services ordered for use by the School/Division. Such promotional items may have a corporate use, but are often suitable primarily for domestic use. In the latter case, the item(s) must be declared as a 'gift'. There are formal arrangements for donations to a University supported charity.

### Business Hospitality

- 19.5 In general, invitations should be declined since acceptance, particularly if repeated, may make it difficult to avoid obligation or may be capable of being misconstrued.
- 19.6 It will not always be possible or even desirable, however, to reject offers of hospitality on a modest scale.
- 19.7 Modest hospitality is an accepted courtesy of business relationships. However, the recipients must not allow a position to be reached whereby they might be influenced, or deemed by others to have been influenced in making a business decision as consequence of accepting such hospitality. The frequency or scale of hospitality should not be greater than the University would be likely to provide in return.
- 19.8 The decision as to whether or not to accept must depend on the circumstances of each case, bearing in mind the need to act discreetly at all times. Where it is clearly evident that the work of the University would be facilitated, invitations to lunch can be accepted, provided they are not regular occurrences and provided they are of modest cost and not extravagant.
- 19.9 If there is doubt about what is or is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the ADFP. The ADFP will maintain a Register of all such requests.
- 19.10 Where the hospitality offered exceeds these guidelines, but the member of staff considers it in the interest of the University to accept, the reason must be documented and prior authority obtained from the Vice-Chancellor or DPFRR.

### Personal Inducements

- 19.11 Personal inducements in any form from suppliers to employees are forbidden and members of staff should actively discourage the sending of gifts from suppliers. Any instances of such inducements being offered must be advised to the ADFP immediately and also declared in the Register of Outside Interests maintained by the Director of Human Resources.

### Declaration of Interest

- 19.12 Any personal interest which may impinge or which might reasonably be deemed by other persons to impinge upon impartiality in any matter relevant to purchasing duties must be declared to the Head of School/Director before conducting the business.

### Confidentiality and Accuracy of Information

- 19.13 The confidentiality of information received in the course of purchasing duties should be respected and specific details of suppliers' offers must not be divulged to competitors. Information given to others in the course of purchasing duties should be true and fair and never designed to mislead nor be used for personal gain. It should be noted that the Freedom of Information Act 2000 is part of UK law from January 2005. With certain exceptions, this requires public bodies – including the University – to answer any question from any person or organisation. Regarding tenders & contracts for goods/services/works contracts, individual purchase orders, and any other purchasing-related matter, few exceptions are allowed. External questions do not have to be answered immediately, and advice and guidance either generally, or on a case-by-case basis, is available from the Purchasing Section.

### Competition

- 19.14 While bearing in mind any advantages to the University from maintaining a continuing relationship with a supplier, any arrangement which might, in the long term, prevent the effective operation of fair competition should be avoided.

## **D.20 SALARIES**

- 20.1 All University employees shall be paid according to the current salary scales. An employee is defined as a person employed, whether part-time or full-time, by the University under a contract of employment.
- 20.2 All engagements of three calendar months or more should be subject to a letter of appointment. All letters of appointment or variations in conditions of service must be issued via Human Resources and all payments of salaries and wages must be through FINCE (Salaries Office). The recruitment of all staff **must** be handled through the Human Resources Division. Where a vacancy exists the first step is to complete a Recruitment Requisition form which will guide Schools/Directorates through the initial stages of recruitment ensuring compliance with the approved procedures of the University and employment legislation. A vacancy must not be progressed until a Recruitment Requisition form has been submitted and approved by the Human Resources (HUMRS) and Finance Division. Further details of the procedures in place for staff appointments can be found in the HUMRS Section of the Administrative Handbook.

### Payroll Procedures

- 20.3 FINCE is responsible for the payment of all salaries and for the administration of all pension schemes.
- 20.4 Heads of School/Directors, via HUMRS, shall notify the Head of Salaries and Pensions as soon as possible of all matters affecting the payment of salaries and pensions. This excludes irregular variable payments such as overtime.
- 20.5 Heads of School/Directors should ensure that time-sheets for non-academic staff, where appropriate, and other necessary records in a form approved by the DPFR, are completed and submitted to the Salaries Office as required. All such documents should be certified by the Head of School/Director or one of the other authorised School/Directorate signatories. Heads of School/Directors must ensure that all payments for overtime are strictly controlled, permitted only in exceptional circumstances and have been approved in advance of the time worked. Time-sheets showing any element of overtime working must have appended a clear explanation of the reasons for the authorisation of such work.

### Payment of Fees and Requests for Payment for Additional Hours to Members of Academic and Academic Related Staff (Grades 5-8)

- 20.6 As per the National Framework Agreement at Cardiff University, requests for payment should be made to the HUMRS Directorate on Form HR205 stating the amount, reason(s) for payment, relevant account code and signature of the Head of School/Directors or one of the other authorised signatories.

### Payments to Student Demonstrators

- 20.7 A Student Engagement letter should be sent by a School to Salaries for each student engaged for demonstrating/tutorial/seminar work. Please also refer to the HUMRS Section of the Administrative Handbook, "*Engagement of Students*". Student demonstrators may only be paid for up to 6 hours work per week and payment will be made via the monthly payroll.

### Payments to Visiting Academics

- 20.8 The payment of fees and related expenses to visiting academics will be made through the payroll. Claims must be submitted on the 'Gold' form, obtainable from the Salaries

Office, authorised and coded to reach the Office in accordance with the monthly processing timetable. All claims for fees must give full details of the work involved. Claims that are received after the deadline will be held for payment in the following month. The regulations governing these payments are as follows:

(a) Part-Time Lecturers

Those part-time lecturers who are engaged for a period of 3 calendar months or more in any session should be engaged through HUMRS. Shorter engagements can be made by Schools/Divisions and payments processed through the 'gold form' system. Payments will be subject to tax, national insurance and any other relevant deduction.

(b) External Examiners

(i) First degrees - Although external examiners are not employees, they are office holders and therefore taxable under Schedule E. Their fees are subject to tax and national insurance contributions but the expenses can be paid without deduction.

(ii) Higher degrees - Payments of fees and expenses to external examiners for higher degrees are paid gross.

(c) Lecturing to Cover Absence Due to Sickness, etc.

If a lecturer is unable to continue teaching a course due to sickness or suspension, payment to any visitor brought in to cover duties would be payable under Schedule E, but expenses in this case are not an emolument and can be paid without deduction of tax. (Anyone wishing to be treated under this head will have to be cleared by Salaries through the HMRC).

(d) Overseas Visitors

Where visiting academics from overseas:

- (i) are not remunerated for services rendered but only paid subsistence/maintenance;
- (ii) have no contract of employment.

they can be paid without deduction of tax and N.I. contributions.

However, details of those visiting academics that fulfil the above conditions but whose stay is to be for more than 6 months must be reported to the Head of Salaries and Pensions for onward transmission to HMRC.

(e) Public Lectures

Payment to those who come exclusively to give instruction as a public lecture which anyone can attend (i.e. not part of a course or confined to a particular group or society) can be made without deduction of tax and N.I. contributions.

(f) LEARN - Continuing Education and Professional Development

Those who have a contract of employment from the University in addition to their appointment to lecture for the LEARN will have their fees subject to PAYE but can have their travel expenses paid gross when they travel to a satellite site.

Those who are only engaged by LEARN will have their fees and expenses subject to both tax and N.I. contributions.

#### Other Short Term Employment

20.9 Payment for engagements of less than three calendar months in any twelve month period can be processed via the 'gold form' system. There is a maximum of three 'gold forms' allowed in any one Tax Year.

#### The Tax & NIC Treatment of Payments

##### Income Tax

20.10 As instructed by HMRC, the University is legally obliged to make all payments (i.e. fees and expenses) to tutors, visiting lecturers and casual employees subject to PAYE. The exceptions to this are as follows:

- (i) Public lectures which are open to all (i.e. not part of a course or confined to a particular group or society);
- (ii) Those lectures where the content material of the lecture is neither determined nor controlled by the University;
- (iii) External examiners for higher degrees.

##### National Insurance

20.11 Similarly, the University is required to deduct N.I. contributions from payments that exceed the lower earnings limit. However, if an agreement has been made with the tutor that he/she will not be engaged on more than three days in total, in any three consecutive months, then he/she can be paid without deduction of NIC's. This agreement has to be in place, in writing, prior to the start of the engagement, otherwise the payment will be subject to N.I. contributions.

##### Alternative Arrangements - Income Tax

20.12 While the engagement with the University is treated as an employment (other than the exceptions identified above), if the tutor/lecturer is otherwise self employed, in some circumstances HMRC will exercise their discretion and issue an NT code. In this event tax will not be deducted at source and the tutor can include earnings from the University in their Schedule D return. If a tutor wishes to apply for an NT code they should write to HMRC, South Wales Area, Ty Glas, Llanishen, Cardiff CF14 5YF (Tel: (0845) 7143143), giving details of their circumstances and quoting the University's tax reference number 948/U1860C.

20.13 If the tutor/lecturer is not otherwise employed and can certify on income tax form P46 that the engagement at the University is his/her main or only employment, then some personal allowances can be allocated against the payment.

##### Alternative Arrangements - N.I. Contributions

20.14 If a tutor has made alternative arrangements with the Contributions Agency for the payment of their N.I. contributions they may arrange for the Contributions Agency to issue a deferment certificate (form CA2700) to the University. Or if the tutor is over state pensionable age (60 for women, 65 for men) then they may obtain for CF384 'certificate of age exception' or form CF381 'certificate of earner's non-liability' from the DSS. On receipt of any of these forms, i.e. CA2700, CF384, CF381, no primary N.I. contributions will be deducted.

- 20.15 Tax and N.I. queries relating to the tutor's employment with the University should be directed to Mrs S E Williams in the University's Finance Division on Cardiff (029) 2087 4550.

### Consultants

- 20.16 For those individuals who are engaged by the University, but are not tutors or visiting lecturers (sometimes identified as 'consultants') the following guidelines may be useful in identifying how they should be categorised for the purpose of payment. The alternatives to be considered are, (i) are they employees of the University, or (ii) are they self-employed?

- 20.17 If an individual wishes to be treated as self-employed, then the engagement needs to be measured against HMRC guidelines, in the following areas:

(i) Control

Is the person subject to University control? Does the University designate the place and time for the service? If so, the individual is likely to be an employee.

Is the individual required to perform the service himself/herself? An employee is required to do the work himself/herself. A self-employed person can send a substitute.

If the 'consultant' is given a task to complete by a particular date but can decide how, when and where to do the work that person is likely to be self-employed.

(ii) Financial Dependence

Whose equipment is being used for the work? Is it on University premises? Is the individual liable to bear the expense of losses or mistakes? If the tasks are performed on University premises, using University equipment with no financial risk to the individual it is likely HMRC will categorise them as 'employees'.

Self-employed people have control over the amount of work that they do, the way in which it is done, and can use the services of others in addition to, or as a substitute for, themselves to meet the deadlines.

- 20.18 Payments made to those categorised as 'employees' will be through payroll and will be subject to PAYE and NIC deductions. Payments to those categorised as 'self-employed' should be on submission of invoices and authorised in the usual way with payment being made by the Accounts Payable Section.

- 20.19 In cases of doubt HMRC are prepared to give an opinion on whether a person is employed or self-employed for tax purposes. Please contact the Self Employment Compliance Unit on (029) 2032 7077 for advice.

### Advances

- 20.20 Non payroll advances can be arranged via Accounts Payable to assist with expenditure related to relevant trips abroad, etc. It is **not** possible to make salary advances.

### Casual Labour

20.21 The University is required to be particularly vigilant in its approach to the use of casual labour. Requests for payment must be via the Salaries Office in order that it can be properly controlled and if appropriate income tax and national insurance deducted.

### Ex-Gratia Payments to Staff

20.22 Ex-gratia payments in excess of K£8 to staff (excluding consultancy payments) should be approved by the Vice-Chancellor prior to payment and details of individual, amount paid, date and reason(s) reported to Human Resources Committee.

### Benefits in Kind

20.23 The University is required to return to HMRC details of any benefits in kind provided for employees or their families. Any benefits granted should be authorised by the Head of School/Directorate and/or HUMRS, as appropriate. The value of any such benefits, properly authorised and duly provided, should be reported to the Head of Salaries and Pensions annually at the end of each tax year, i.e. by 15 April.

20.24 These benefits include:

- the provision of living or other accommodation, including light, heat, etc.;
- the use of any asset (for example use of office, photocopier, computer, car, secretarial services, mobile phone, etc.) provided by the University, for which the full cost has not been met by the employee;
- the provision of fuel for private motoring in a provided car;
- gifts of assets, or the sale of assets at less than market value, to any employee;
- any expenses or liabilities incurred by an employee not in the course of his/her duties and paid direct by the University, for example hotel or restaurant bills;
- scholarships awarded to students by reason of their parent's employment at the University;
- benefits or facilities arranged by the University, for example hotel accommodation, restaurant facilities, holidays, childcare, etc.

20.25 The University is also required to report any benefits in kind that have been provided by someone other than the University, for employees (or members of their families or households), as a result of their University employment. These benefits should also be notified to the Head of Salaries and Pensions annually by the 15 April (for the previous tax year).

### Pool Cars

20.26 Since it is anticipated that the car scale charge will not apply in respect of vehicles designated as pool cars, it is important that members of staff should note the following points:

- (a) pool cars are provided for official business journeys only and must not be used for any private purposes whatsoever (including office to home journeys after late working);

- (b) they are not intended to be used by any one employee to the exclusion of others, nor as spare cars in the event that the University car provided for any employee is unavailable (where the University car is being serviced or repaired, for example);
- (c) pool cars must be left overnight at the University location to which they are allocated and not taken home by employees. In the exceptional event that it is necessary to take a pool car home (when, for example, an official journey on the following day is to be commenced early in the morning), specific permission must be sought in advance from the individual responsible for authorising the employee's expenses.

20.27 Pool cars or cars leased by the University should not be used for private motoring as a taxable benefit in kind will arise.

#### Self Assessment

20.28 Under self assessment staff are reminded that they are required to retain such documentation as are needed to complete their personal tax returns, i.e. copy payslips, forms P60, P45, etc. Copy P45's cannot be issued. Copy payslips will only be issued in exceptional circumstances.

**D.21 VOLUNTARY EARLY RETIREMENTS/SEVERANCE PAYMENTS**

- 21.1 All severance payments must be in accordance with legislation and should be authorised by the V-C, Director of Human Resources and DPFR. Particular care should be taken in more unusual cases, such as when individuals are named parties in legal actions.
- 21.2 Staff must not be granted promotion or pay rises in the final year before retirement as part of any VER arrangement.
- 21.3 In considering the financial element for early retirement the following apply:
- (a) a standard maximum of containment within 2 years' gross costs for agreement by the V-C, to be the normal maximum;
  - (b) within 3 years gross costs authorised by the Chair or Deputy Chair of the Remuneration Committee;
  - (c) above 3 years gross costs to be considered at a specially convened meeting of the Committee with a business case.

## **D.22 PROCEDURE FOR SETTING STUDENT FEES**

### Tuition Fees

- 22.1 Council is responsible for fixing and recovery of the fees and other charges to be paid by students. Council has delegated to Senate these responsibilities with power for Senate to delegate to University Management Board.
- 22.2 A paper is submitted to University Management Board each year proposing tuition fees for home, EU and overseas students for the following session. The paper takes into account:
- (a) guidance from CVCP and DfEE;
  - (b) recommendations from Heads of School on fees to be recommended for:
    - (i) existing courses bearing non-standard fees (whether higher or lower); or,
    - (ii) new courses, if not carrying standard fees.
- 22.3 The level of the fees recommended by the University Management Board is subject to approval by the Chair of Council and the Treasurer.

### Student Residential Fees

- 22.4 Residential fees are approved by Policy and Resources Committee.

### Enrolment Statement

- 22.5 All students are required to agree to abide by the rules and regulations of Cardiff University by ticking the box during on-line enrolment.

## **D.23 PAYMENT OF TUITION FEES**

### Procedures for Paying Tuition Fees

23.1 Students are permitted to pay their fee, or any contribution thereto, as follows:

a) Home/EU Undergraduates

- Payment in full before or on enrolment;
- Payment by direct debit in two instalments (normally payable in November and January), upon acceptance by the Finance Division (NB payment in one instalment if the sum due is £300 or less);
- Where direct debit is not applicable, by payment of one half before or on enrolment, and a further payment of one half in January.

NB Students who have applied for Student Finance funding and have not received an award letter by 31 October, will be required to pay 50% of the fee as a first instalment.

b) Home Postgraduates and All Overseas Students

- Payment in full before or on enrolment;
- Payment by direct debit in three instalments (normally payable in November, January and April), upon acceptance by the Finance Division (NB payment in one instalment if the sum due is £300 or less);
- Where direct debit is not applicable, by payment of one third of the fee before or on enrolment, followed by payment of one third of the fee in January and April.

c) Calendar Year Students

- Payment in full at the start of their academic year;
- Payment of one third of the fee due at the start of their academic year, followed by payment of one third of the fee after 90 days and 180 days of the start.

### Sponsored Students (other than Student Finance)

23.2 Students should provide proof of sponsorship to the Finance Division and it is the responsibility of the student to inform their sponsor that tuition fees are to be paid by 31 December following enrolment. In the event of sponsors not paying fees when due, the student becomes personally responsible for paying the full fee. Payment to be made in accordance with D.23.1 a) or b) above.

If a student is in receipt of part-sponsorship for tuition fees, unless the sponsor decrees otherwise, the sponsored part of the fee will be deducted and the student is liable for the balance on an annual basis, payment to be made in accordance with D.23.1 a) or b) above.

For calendar year students it is the responsibility of the student to inform their sponsor that the fees are to be paid within 90 days of the start of their academic year.

### Career Development Loans (CDLs)

- 23.3 Students receiving CDLs are liable to pay their share of fees in accordance with the methods of payment detailed at D.23.1 a) and b) above.

### Refund of Tuition Fees

- 23.4 In the event of withdrawal, students will be charged, less any non-refundable deposit, on a prorated basis on the number of weeks in attendance from the start of the scheme, and an appropriate refund made if necessary.

### Payment of Residential Charges

- 23.5 An offer of University residence is made on the basis that the residence is available on a sessional basis and at the rates approved by the Policy and Resources Committee.
- 23.6 Residences fees are payable by direct debit and the due dates for payment will be confirmed at the point at which an offer of residence is made.
- 23.7 If payment has not been made by the stipulated date, residents will be sent a Late Payment Advice by CSERV, including a 5% additional charge for late payment. If the payment remains outstanding after a further 15 days, residents will be sent a second Late Payment Advice including a further 5% additional late payment charge. The Cash Office will progress payment of the debt on notification from CSERV. If the fees are not paid the University reserves the right to proceed in accordance with the Senate Regulation: Procedure for Payment of Tuition Fees and Other Monies. In any event the student will not be re-admitted as a resident in University residences in future sessions.
- 23.8 If action is not taken in accordance with the Procedure for Payment of Tuition Fees and Other Monies, the University also reserves the right to refuse permission to attend the Graduation Ceremony.

### Payment of Other Monies

- 23.9 Students are required to pay any other monies owing to the University in accordance with stipulated deadlines. Continuing students who have debts to the University arising from the previous academic session will be registered with outstanding finance issues for 30 days from the commencement of the course. Students will be advised of these arrangements and will also be advised of the importance of notifying the Finance Division if they have any individual circumstances that may be causing difficulty in resolving their situation. If arrangements for payment of the outstanding monies have not been made by the specified deadline, the University reserves the right to proceed in accordance with the Senate Regulation: Procedure for Payment of Tuition Fees and Other Monies.
- 23.10 If action is not taken in accordance with the Procedure for Payment of Tuition Fees and Other Monies, the University also reserves the right to refuse permission to attend the Graduation Ceremony for any educational related debt.

### Bursaries and Studentships

- 23.11 If an award is to be made to a student not already in the University, the awarding School must ensure an offer of admission is made through the Academic Registry in accordance with its standard procedures.

Operation of the Procedure for Payment of Tuition Fees and Other Monies

- 23.12 Prior to any enforcement of the Senate Procedure, the Finance Division will write to students after the deadline for payment of the tuition fee or any other monies. Students will be advised:
- a) that the deadline for payment has passed;
  - b) that settlement is required within 7 working days;
  - c) that the Finance Division must be notified if they have any circumstances causing difficulty in making due payment;
  - d) that in the event of non-compliance with either b) or c) above, the Senate Procedure will be invoked, and registration with the University will be cancelled forthwith.
- 23.13 The Finance Division has the discretion to defer/delay any enforcement of the Senate Procedure in the light of a students' personal circumstances.
- 23.14 If the matter has not been resolved following the issue of the letter by the Finance Division, the Senate Regulation: 'Payment of Tuition Fees and Other Monies', will be invoked. Students will be notified in writing that their registration with the University is being cancelled. This confirmation will be sent to both the home and semester address. Deregistered students will be advised of a final opportunity to present in writing any information which they feel may be relevant to their case and has not yet been made known to the University. The names of de-registered students will be confirmed to Registry, who will be responsible for notifying the relevant parties of the cancellation of registration (i.e. academic Schools, libraries, other administrative divisions).
- 23.15 If a student breaches any special arrangements for payment that have been approved by the Finance Division, he/she shall be automatically subject to de-registration.

## **D.24 PROCEDURES IN THE EVENT OF NON-PAYMENT OF TUITION FEE AND NON STUDENT DEBT**

### Tuition Fee Debt: Registered – Outstanding Finance Issues

- 24.1 Students who are unable to fulfil their financial obligations at enrolment will be registered with outstanding finance issues for 30 days from the commencement of the course. Students will be advised of these arrangements, and will also be advised of the importance of notifying the Finance Division if they have any individual circumstances that may be causing difficulty in resolving their situation by the deadline. If arrangements for the payment of tuition fees or confirmation of sponsorship have not been made within 30 days of enrolment, the University reserves the right to proceed in accordance with the Senate Regulation: Procedure for Payment of Tuition Fees and Other Monies.

### Non Payment of Fees by Due Date

- 24.2 At enrolment, students will receive confirmation of tuition fee payment dates, in accordance with the method of payment chosen. Students will also be advised of the importance of notifying the Finance Division, if they have any individual circumstances that may be causing difficulty in making due payment by the deadline. If payment has not been received the University reserves the right to proceed in accordance with the Senate Regulation: Procedure for Payment of Tuition Fees and Other Monies.
- 24.3 If action is not taken in accordance with the Procedure for Payment of Tuition Fees and Other Monies, the University also reserves the right to refuse permission to attend the Graduation Ceremony.

### Billing for Goods and Services

- 24.4 Heads of School/Directors should liaise with the Finance Division regarding credit vetting of new customers where the sum involved is likely to be more than K£10.
- 24.5 Unless the prior written approval of the DPFR has been given Schools/Directorates may not pay income or arrange for income to be paid into a University bank account.
- 24.6 The Income Section will issue sales invoices on receipt of sales invoice requests, provided this is for a debt of £30 or over. Goods or services provided for a lesser amount should be paid by cash, credit/debit cards or cheque and credit should not be given. It is the overall responsibility of the School/Directorate to ensure VAT is charged when appropriate prior to the raising of an invoice request form. Where the University bills other organisations on a regular basis, the period of billing should be agreed in liaison with the Finance Division.
- 24.7 Income re Consultancy, Services Rendered and Research accounts will be recovered via claims or invoices raised by RACDV. Any problems will be referred to the Assistant Director responsible for debt collection.
- 24.8 All requests for payment from companies or individuals for goods or services provided by the University should be by official University invoices in the form agreed by FINCE. Members of staff must **not** accept personal cheques made out on behalf of University business.
- 24.9 Where payment is not received within 30 days of the date of the invoice, FINCE will send reminder letters to the debtor on a 30 + 1 day, 45 day and 52 day basis.

- 24.10 In the event of non-payment after this time, FINCE will liaise with the originating School/Division to ascertain any specific reasons for non-payment and to determine what further action should be instigated.
- 24.11 Normally, this action will be one of the following:
- (a) the originating School/Division to chase the debtor;
  - (b) the originating School/Division agree that the debt should be written off against their budget;
  - (c) FINCE should write a further letter threatening legal action unless payment is forthcoming;
  - (d) the originating School/Division recommend legal action immediately.
- 24.12 FINCE is responsible for action under (c) and (d) above. FINCE will take the most appropriate course of further action - either through the County Court system or through University solicitors.
- 24.13 After 6 months the DPFR has authority to 'write-off' outstanding debts where he considers that the debt is uncollectable or that the costs of collection will exceed the outstanding sum. The Income Section will inform Schools/Divisions where 'write-off' has occurred and the bad debt will be written back to the School/Division's budget.

## **D.25 CASH PROCEDURES, RECEIPTING AND BANKING OF INCOME**

### **25.1 Cash Procedures**

- (a) A member of staff collecting cash and cheques is personally responsible for their safe custody and that of bank paying-in books.
- (b) Personal cheques shall **not** be cashed out of any monies held on behalf of the University.
- (c) School/Directorate income must **not** be used as petty cash to fund minor disbursements.
- (d) Credit and debit cards must **not** be accepted as a means of obtaining a cash advance or 'cash back'.
- (e) IOUs must **not** be accepted.
- (f) Employees receiving cash and cheques in the course of their duties shall be required to remit all monies and/or bank in full promptly and no later than 3 working days of receipt.

### **25.2 Receipting of Income Received by Schools**

- (a) People and organisations who pay over monies directly to Schools are entitled to a receipt.
- (b) Individuals or Schools/Divisions that are likely to receive monies should request a sequentially numbered receipt book from INSRV, Graphic Services.
- (c) Receipts should be made out for all monies collected.
- (d) Where it is impractical or impossible to hand out or post a receipt the top copy should be left intact in the book.
- (e) All spoilt receipts should be marked 'cancelled' and left in the receipt book. A new receipt should be made out to replace the spoilt receipt.
- (f) Where there is a likelihood that cheques and cash will be regularly received in the post, the responsibility for opening mail must be delegated to two individuals together.

### **25.3 Banking of School Income**

- (a) School income is **not** to be used as petty cash to fund minor disbursements. All monies collected by Schools/Divisions on behalf of the University should be paid to the Income Section promptly.

Where Schools/Directorates (such as Residences, Library and Catering) have arranged to pay monies directly into the Bank, the Management Accounts Office will issue a bank paying-in book for subsequent use.

- (b) Cash paid to the Income Section must be accompanied by a properly completed Cash Receipt Form and must be taken by hand to the Income Section by two members of staff. If the amount of cash to be banked is less than £50 the requirement for two members of staff is waived. Further exemptions can be provided on written application. **Anyone paying cash**

**in must receive an Income Section receipt for the money paid in before leaving the Income Section.** The Cash Receipt Form can be obtained from the Income Section and will include:-

- (i) Name of School.
  - (ii) The date monies are paid in to the Income Section.
  - (iii) The appropriate chart of account values where the income should be credited, together with an analysis of the respective values.
  - (iv) Total value of income;
  - (v) Details of cheques;
  - (vi) The VAT element must be coded to the appropriate VAT account as it is payable to Customs and Excise and must not be credited to the School accounts.
  - (vii) Signature of paying officer.
- (c) Before paying School income to the Income Section or Bank the value of individual receipts issued since the last occasion monies were paid over should be totalled and reconciled with the monies paid over.
- (d) The value of cash and cheques held should be counted and checked to the total value of receipts issued. Any discrepancies between these two figures should be investigated. Where no obvious explanation to account for discrepancies can be identified, the matter should be drawn to the attention of the Finance Division – Income Section.
- (e) Monthly reports must be reconciled to income banked.
- (f) The levels of banking included upon monthly reports must be independently reconciled to other primary income records at least monthly by a senior officer. The designated supervisor must be precluded from carrying out such reconciliations. Independent reconciliations by the designated senior officer must be formally evidenced. Any discrepancies discovered during the independent reconciliation must be brought to the attention of the Finance Division – Income Section.
- (g) Receipt books and paying-in books must be kept in a locked drawer or cupboard, and responsibility for their custody delegated to an individual member of the School. Income must be kept in a secure environment prior to banking.
- (h) The Head of School/Directors should arrange for general supervision of these arrangements. Any variations to the above must be approved by the DPFR.

#### Sales of Stock

- 25.4 Stock sold must be reconciled to monies received and evidenced by a member of staff independent of the operation.

#### Credit Card Facilities

- 25.5 Provided written authority of the DPFR has been given, Schools may allow University customers (including students) to pay for services received by use of Visa/Mastercard/Access. Contact the Finance Division – Income Section for more details.

## **D.26 APPLYING FOR AND ACCEPTING RESEARCH GRANTS AND CONTRACTS AND UNIVERSITY SERVICES CONTRACTS**

### Purpose

26.1 The purpose of this Financial Procedure is to ensure that all applications for external funding for Research Grants and Contracts and University Services (services rendered and consultancy) Contracts comply with Cardiff University's Policy for Costing and Pricing of projects. Under the terms of its Financial Memorandum with the Higher Education Funding Council for Wales (HEFCW), the University has an obligation to ensure that eligible costs are recovered from external grant-awarding bodies and other organisations that fund research and services work. The University is also required to demonstrate that those of its activities that receive funding from external organisations are sustainable in the longer term. Where the full economic cost of Research or University Services projects cannot be recovered from external funders, and a School wishes to proceed with the project, the University must be able to demonstrate that a conscious decision has been taken to contribute to the cost of the work from internal resources and the source of the contribution identified and approved by the relevant Head of School or other budget holder.

### Administrative Support

26.2 Central administrative support for those preparing applications to grant-awarding bodies and other funders of research and services projects is available from the Research and Commercial Division (RACDV), part of the Strategic Development Directorate. Support available from RACDV includes:

- advice on sources of funding for research and services projects;
- advice on the eligible costs and financial terms that various categories of funding bodies will accept;
- advice on insurance matters;
- assistance in developing research and other proposals;
- advice on completing application forms and tender or e-tender responses to funding bodies;
- authorising and submitting paper-based applications and electronic application forms to funding bodies (such as the Research Councils' joint electronic submission system – Je-S);
- advice on compliance with ethical review and other research governance matters;
- assistance in developing collaborative projects involving NHS partners;
- providing model agreements for research or services work with external organisations;
- drafting and negotiating formal agreements with external funding bodies (e.g. industry) and partner organisations (e.g. consortium agreements for European projects and other multi-partner schemes).

26.3 Requests for information about funding sources or assistance in developing research proposals may be directed to RACDV's Reception Desk (Ext. 75834). For information about the financial terms of specific sponsors, contact RACDV's Helpdesk (Ext. 79276 or E-Mail: [RACD\\_Help@cardiff.ac.uk](mailto:RACD_Help@cardiff.ac.uk)). Further information about the support available from RACDV, as well as contact details can be found on the Division's website at <http://www.cardiff.ac.uk/racdv/index.html>.

26.4 A number of Schools make available their own administrative support (such as a Research Support Officer) who will also be able to assist applicants in preparing proposals for research and services projects. Schools' administrative offices and RACDV work closely together in order to ensure compliance with the University's Financial Regulations and related Procedures.

### Applying for Research Grants and Contracts and University Services Contracts

- 26.5 All applications for Research Grants and Contracts and University Services projects must be sent to the Research and Commercial Division (RACDV) for checking and formal approval on behalf of the University before being submitted to a funding body or client. The lead applicant (the 'Principal Investigator') is responsible for ensuring that any proposal is received in RACDV **at least 5 working days prior to any deadline** for submission to external bodies. This will enable RACDV to check that the project is costed appropriately, that it will comply with relevant terms and conditions of the funding body and, where required, allow sufficient time for any revisions to be made prior to submission. Where a University Services proposal does not require full tender documentation or similar formal application, the Principal Investigator should provide a summary of the work or outline project plan as agreed with the funding body.
- 26.6 It is also the Principal Investigator's responsibility to ensure that all internal peer review processes and administrative procedures for checking and approving proposals within his/her School have been followed and that the Head of School, or a nominated deputy, has had sufficient opportunity to consider, approve and sign off the proposal before it is brought to RACDV. Increasingly, applicants are required by various research funding bodies to commit to making a direct cash contribution (such as meeting a proportion of the cost of equipment to be procured from a Research Council grant) or to make a longer term commitment, such as maintaining a staff salary beyond the lifetime of a project. Where such commitment is required by the funding body: (i) the Head of School must approve the commitment to be entered into; and (ii) the School must obtain confirmation from the Finance Division (through the School's FINCE link person) that the source of funding identified within the School to meet the commitment is available and sufficient for that purpose. RACDV will be unable to authorise submission of any such application without first receiving this confirmation from the Head of School and FINCE.
- 26.7 Research applications to the Research Councils and similar grant-awarding bodies, are signed on behalf of the University by RACDV's Assistant Director Research Grants, who is the University's nominated 'Administrative Authority'. In the absence of the Assistant Director Research Grants, RACDV's Research Grants Officers are authorised to sign such applications.
- 26.8 Other types of proposals, such as applications to the European Commission, formal tenders or quotations to government departments and for University Services contracts, are authorised on behalf of the University by the Director, Deputy Directors or Assistant Directors of RACDV.

### Acceptance of Research Grants and Contracts and University Services Contracts

- 26.9 Only persons authorised by the University are permitted to sign contracts and agreements on behalf of the University. Research grants and contracts are accepted formally on behalf of the University by the Director of RACDV and **School staff have no authority to commit the University to financial terms with funding bodies prior to such authorisation**. Any draft agreement received from a funding body must be forwarded to RACDV's legal team in the Research Policy & Management section for checking. Where a document, such as a contract or agreement, relating to a research or services project requires the University seal to be affixed, the Director of RACDV will request the Director of Registry, Governance and Student Directorate to effect such sealing.
- 26.10 The University has a range of model contracts and agreements available for use in appropriate circumstances. Further details and assistance on model contracts may be obtained from RACDV's legal team (contact Ms Maria Stokes, Ext. 79279 or email [StokesM@cardiff.ac.uk](mailto:StokesM@cardiff.ac.uk)).

- 26.11 RACDV also has responsibility for accepting other forms of award such as industrially-sponsored studentships and Knowledge Transfer Partnership (KTP) Awards. RACDV will negotiate and sign-off contracts relating to Industrially Sponsored top-up awards for CASE studentships but financial administration of these, and Doctoral Training Awards, is carried out by the Finance Division.

Procedures to be Followed when Applying for Research Grants and Contracts

- 26.12 The Principal Investigator must contact RACDV's Research Grants Officer (Pre-Awards) in the first instance, providing details of the total staff effort required for the project, both existing academic and support staff and those to be recruited for the work. RACDV will prepare project staff costings and will calculate the associated Indirect costs and Estates costs using the approved Full Economic Costing (fEC) rates calculated annually by the Finance Division in accordance with the Transparent Approach to Costing (TRAC) methodology as submitted to the Higher Education Funding Councils and RCUK. RACDV will complete relevant sections of the University's internal Costing and Pricing Form [**CAP Form**] and return (by email) to the Principal Investigator who will then complete the remainder of the CAP Form. Due to the requirements of fEC, salary information of staff associated with the project may become known to the Principal Investigator or other staff within Schools involved in the preparation of applications and in project administration. The Principal Investigator must be able to confirm that he/she has the explicit consent of the individuals concerned (such as Co-investigators) to obtain salary information from RACDV. In the absence of such consent, RACDV will be unable to release salary information. The Principal Investigator will then prepare a detailed breakdown of all other direct costs of the project (such as consumable materials, capital equipment, travel and subsistence costs, use of facilities, refurbishment, insurance, etc.) and details of the funding body in the relevant sections of the CAP Form. The completed University CAP Form, signed by the Principal Investigator and Head of School (or a nominated deputy) must then be returned to RACDV, along with the funding body's standard application form where the funding body requires its own form to be submitted (e.g. Research Councils, Charities, European Commission). **RACDV will be unable to authorise any application that does not adhere to this procedure.**
- 26.13 VAT is chargeable on research contracts conducted for all organisations that are not "eligible bodies" as defined by the Value Added Tax (Education) Order 1994. VAT is also generally chargeable on all University Services Contracts. In cases of uncertainty, advice on VAT may be obtained from the Finance Division (contact Mr John Newton, Ext. 74141 or email [Newton@cardiff.ac.uk](mailto:Newton@cardiff.ac.uk)).
- 26.14 The Principal Investigator will need to consider what external approval or licence from a regulatory body may be necessary before the application is submitted and should take steps to secure such approval. Ethical approval, where required, should be obtained either from the relevant School Research Ethics Committee for non-clinical research or from the appropriate NHS Research Ethics Committee for clinical research. In the latter case, the Principal Investigator should follow the procedure set out on the COREC website: <http://www.corec.org.uk>
- 26.15 Where it is intended that an investigation is conducted on any person for a medical purpose, this must be indicated on the CAP Form.
- 26.16 After approval by RACDV of the CAP Form (and, where appropriate, the funding body's standard application form):

- (a) the Principal Investigator may submit the application form to the funding body; or
- (b) RACDV will submit an electronic copy of the proposal where the funding organisation has adopted a electronic document submission system such as the joint Research Councils' electronic submission system (Je-S); or
- (c) a formal quotation, signed on behalf of the University by RACDV, will be sent to the funding body accompanied by either a Model Agreement or the University's General Conditions of Contract, as appropriate.

26.17 A record of all Research and University Services applications and awards is held on a Research Management System maintained by RACDV within the Oracle Projects module of the Oracle EBS system. Summary information on all research applications and awards, abstracted from RACDV's Research Management System, is made available to University users through the Web Information Reports (WIRE) which can be accessed through the Planning Division's website: <http://www.cardiff.ac.uk/plann/wire1/index.html>. The information on research applications and awards held on WIRE is updated monthly. A range of Management Information reports, using the Business Objects reporting tool, may also be accessed directly by Academic Schools drawing on data held on RACDV's Research Management System. Further information on accessing the reports that are available can be found at: <http://www.cardiff.ac.uk/racdv/reports/index.html>.

#### Financial Administration of Research Grants and Contracts and University Services Contracts

- 26.18 Formal acceptance of awards and contracts may only be made on behalf of the University by authorised signatories as set out in paragraphs D.26.9-D.26.11 above.
- 26.19 After receipt of either: (a) a grant award letter from the funding body; or (b) signature by the funding body and the University of an agreement governing the work; or (c) receipt of formal acceptance of a quotation from the funding body, RACDV will notify the Principal Investigator and Head of School of the project account code and will also provide a project budget sheet specifying the agreed categories of expenditure as set out in the grant award letter or the project agreement. No work should be undertaken or expenditure committed until the account code has been notified to the Principal Investigator and/or School by RACDV. Where the School wishes to enter into any financial commitment in relation to a project before the formal award has been received or finalised by the University (such as in order to recruit or retain a key researcher), the School must obtain the prior approval of the Finance Division to underwrite those costs in the same way as is set out in paragraph D.26.6 above.
- 26.20 RACDV is responsible on behalf of the University for the proper financial management of Research and University Services projects and for the preparation, authorisation and submission of any periodic claims or invoices to the funding body. The Principal Investigator must provide RACDV with all reasonable assistance to enable RACDV to fulfil this responsibility. For those Research and University Services projects where invoicing is due only after completion of the work, or following the achievement of specified milestones in the work programme, the Principal Investigator must notify RACDV, in writing, to submit invoices to the funder at the appropriate time. In the Oracle Projects module, Schools must monitor project expenditure against budget using the Business Objects reports that have been developed for this purpose. Such reports are available to and can be used by all 'team members' identified for a particular research or services project that are administered through Oracle Projects.

- 26.21 Where the Principal Investigator wishes to increase the amount of funding within individual budget headings through a transfer from another budget heading (virement), a written request must be submitted to RACDV authorised by the Head of School or a nominated deputy. Subject to any overriding terms and conditions of the funding body, RACDV will arrange the virement and issue a revised project budget sheet to the School and the Principal Investigator.
- 26.22 All enquiries from funding bodies relating to compliance with financial terms and conditions after the project has commenced are the responsibility of RACDV rather than that of the Principal Investigator alone. RACDV should be informed as soon as possible if the Principal Investigator becomes aware of any concerns of the funding body in this regard. RACDV is also responsible for co-ordinating any audits that may be required to comply with the funding body's terms and conditions of funding.

#### Research Funded by European Funding Bodies

- 26.23 The University has determined that applications to the European Commission and other organisations who act as the managing authorities for European Funds are encouraged, despite not meeting the University's implementation of the Transparent Approach to Costing (TRAC) and recovery of full economic costs (fEC) (see Recovery of Direct and Indirect Costs - para. D.26.35 onwards), **provided that all reasonable efforts have been made to identify and recover the maximum level of financial support allowable. It is imperative, therefore, that all applications for European funding (including that from agencies other than the European Commission) should be reviewed and processed by RACDV's European Office prior to submission.** This requirement applies whether or not Cardiff University is the co-ordinator of the application.
- 26.24 Principal Investigators should note that there are numerous, complex financial issues to consider when applying to the European Commission and other European funding bodies. Each scheme has different eligibility rules, intervention rates (i.e. the percentage of costs that will be met from the grant) and indirect costs' methodologies. It is important, therefore, that information concerning the funding rules applying to particular European schemes should be sought from RACDV's European Office (Ext. 70171 or [European-Research@cardiff.ac.uk](mailto:European-Research@cardiff.ac.uk)) at an early stage.
- 26.25 Proposals must be prepared using the appropriate European body's application form. Certain schemes involve a two-stage process, usually called a 'pre-proposal' stage followed by a full proposal stage. **The Principal Investigator should approach RACDV's European Office at an early stage to discuss their application, whether a pre-proposal or full proposal, in order to ensure that the correct forms and guidelines are being used.** In addition, Principal Investigators should adhere to relevant School procedures such as internal peer review. All costs relating to pre-proposals or proposals must also be summarised on the relevant University European Projects Costing Form. The Principal Investigator must contact RACDV's Research Grants Office (European funding section) who will assist with the completion of the relevant Costing Form. The completed Costing Form, signed by the Principal Investigator and Head of School (or nominated deputy), must be returned to RACDV along with a copy of the application prior to its submission. The Principal Investigator must discuss budget changes with RACDV's European Office throughout the application process and, if successful, during Contract Negotiation. A revised internal Costing Form, reflecting agreed budget changes, must be drawn up, signed by the Principal Investigator and his/her Head of School (or nominated deputy), and returned to RACDV. In addition, due to the complexity and financial risk associated with projects funded by European funding bodies, it is a University requirement that all such proposals, regardless of size, require completion of the University's Project Management Framework form (Form PMF1 – see paragraph D.26.28 onwards below).

- 26.26 As a result of the European Commission making much greater use of the two stage application process throughout its research programmes, it is essential that Principal Investigators maintain contact and dialogue with RACDV's European Office to ensure that cost recovery is sufficient to enable successful completion of the research project.
- 26.27 No internal University project will receive an award status until all necessary documentation has been received, including a formal grant agreement signed by the European funding body (or copy of such document where the University is not the project co-ordinator), a partnership or consortium agreement signed by the relevant parties involved in the project and a completed internal Costing Form signed by the Principal Investigator and Head of School (or nominated deputy).

#### University Project Management Framework

- 26.28 The University's Project Management Framework has been introduced to provide consistent practice and guidance across the University to help those involved in projects to deliver successful outcomes. The full details of the University's Project Management Framework can be found on the Planning Division website at: [http://www.cardiff.ac.uk/plann/project\\_management/index.html](http://www.cardiff.ac.uk/plann/project_management/index.html)
- 26.29 The Project Management Framework must be applied in full to major projects and a project is defined as 'major' if it involves:
- a total cost in excess of £1million
  - a high risk in relation to the achievement of the University's aims and objectives
  - strategically important issues at a University-wide level.
- 26.30 Projects which do not meet any of the above criteria may still be deemed 'major' projects if they involve:
- three or more Schools/Divisions
  - significant time constraints and/or dependencies (e.g. where the project requires joint support from several funding bodies).
- 26.31 In completing the University CAP Form, the Principal Investigator must confirm whether or not the research or University services project is a major project. Where this is the case, the Principal Investigator must complete a Project Management Form (PMF-1) and submit it to RACDV after signature by the Principal Investigator and his/her Head of School (or nominated deputy). This confirms that all relevant project management issues have been considered and accounted for. The PMF-1 form is available in hard copy from RACDV's Research Grants Office or electronically from RACDV's web site: <http://www.cardiff.ac.uk/racdv/preaward/projmgmt/index.html>
- 26.32 Due to the complexity and financial risk attached to projects funded by the European Commission under its Framework Programme, from non-Framework programmes and from Structural Funds, the University has determined that the Project Management Framework must also be applied to all such projects, regardless of whether they meet the criteria set out in D.26.29/30 above. Accordingly, the Principal Investigator must forward to RACDV a completed and signed PMF-1 Form for all such projects along with the relevant University European Project Costing Form prior to submission of the application.
- 26.33 It is the Principal Investigator's responsibility to ensure, notwithstanding the completion of the PMF-1 Form, that all other appropriate University procedures (such as procedures relating to personnel, procurement, ethical approval etc.) have also been

followed as required for the particular project. The Principal Investigator should obtain further guidance from the appropriate administrative divisions where necessary.

### Committee Approval

- 26.34 The formal approval of a University Committee may be required before certain types of research applications can be submitted, as determined from time to time by the University. These may include applications for large-scale infrastructure projects or where only a limited number of proposals may be submitted by the University to the funding body in response to a call.

### Recovery of Direct and Indirect Costs

- 26.35 The recovery of direct and indirect costs on research and University services projects is reviewed periodically by the University's Costing and Pricing Group and any proposed changes submitted to the relevant University Committee for consideration. The University has implemented the UK-wide Transparent Approach to Costing (TRAC) methodology which is intended to ensure a sustainable research base and recovery of the full economic cost of projects wherever possible. The University has adopted a Costing and Pricing Strategy and associated action plan to implement TRAC and **it is particularly important that all eligible directly incurred, directly allocated (including estates costs) and indirect costs are included in projects and charged wherever possible.**
- 26.36 The UK Research Councils have adopted a system of paying a proportion of the full economic cost of projects. Most awards made by the Research Councils since April 2006 are made on the basis of the full economic costing (fEC) methodology. Currently, the Research Councils will normally meet 80% of the Directly Incurred, Directly Allocated (including Estates costs) and Indirect Costs of projects. Certain categories of costs (Exceptional Costs), such as student stipends and fees, are met in full by the Research Councils. **As of May 2011, Equipment is funded at variable rates by the Research Councils, dependant on the cost of the equipment, and Principal Investigators should refer to the current Research Council and University guidelines. In cases where a Research Council requires a specific level of cash contribution from the applicant towards the cost of Equipment, prior approval of the Finance Division must be obtained by the Principal Investigator's School as set out in paragraph D.26.6 above.** Further guidance on the University's approach to the application of the fEC methodology can be found at:  
<http://www.cardiff.ac.uk/racdv/preaward/fec/index.html>
- 26.37 For funding organisations other than the Research Councils, UK Charities and the European Commission (see below), the University aims to recover the full economic cost of research projects. Approved University indirect cost rates and estates rates, calculated in accordance with the TRAC methodology, are used to determine the fEC of a project.
- 26.38 Advice on the appropriate pricing strategy for various categories of funding body, such as government departments and industry, is also available from RACDV's Assistant Director, Research Grants (Graham Edwards: Ext. 74396 or E-Mail: [RACD\\_Help@cardiff.ac.uk](mailto:RACD_Help@cardiff.ac.uk)). The University seeks to ensure a consistent approach, across all its Schools, in its dealings with organisations who provide funding for research. Where a School wishes to accept funding for a research project at less than fEC, appropriate justification authorised by the Head of School must be provided identifying the source of funding that will meet the contribution to be made from School resources.
- 26.39 The European Commission and other organisations who act as managing authorities for European funds do not accept all costs included by UK universities (under the TRAC

methodology) in the calculation of indirect cost and estates rates as eligible for funding support. In some instances these organisations limit the maximum that can be included and recovered as indirect costs. The University therefore accepts that proposals to such schemes will not be on the basis of full economic costing (fEC). Principal Investigators should contact the European Funding section of RACDV's Research Grants Office (via Ext. 70171) well in advance of the intended submission of a proposal to ensure that the correct indirect cost rate is being used.

- 26.40 Current University policy is to waive recovery of general indirect costs and estates costs for research projects funded by UK-registered charities. However, with the advent of fEC, every effort must be made to ensure that all costs that may be directly charged to charities are identified and included in the relevant proposal. Major research charities, such as The Wellcome Trust, provide further details on their websites of the categories of eligible costs that may be included. Further advice on eligible cost categories for charities may be sought from RACDV (Helpdesk: Ext. 79276 or E-Mail: [RACD\\_Help@cardiff.ac.uk](mailto:RACD_Help@cardiff.ac.uk)).
- 26.41 Income from research grants and contracts is applied to meet the costs of all project staff and the other Directly Incurred costs associated with the project. Directly Allocated and Indirect Costs will be charged in accordance with the fEC methodology and allocated in accordance with the University's policy for their distribution between Schools and central University Costs and Professional Support Services (UC/PSS). For all projects funded by Research Councils and other research funding bodies who use the fEC methodology, the University's current policy (revised from 1 August 2008) is as follows. There is no top-slicing to UC/PSS of any Directly Incurred or Directly Allocated costs (or specified Facility charge out costs where applicable), other than for DA Estates costs, 90% of which are transferred to UC/PSS. Schools retain 90% of Indirect costs, 10% of Estates costs and, where applicable, 80% of any surplus arising from the project. The University's current policy on top-slicing is summarised in the following table which shows the percentages allocated to meet UC/PSS costs:

Activity	DI	DA Estates	DA Other	Indirect	Surplus
Research Councils	0	90%	0	10%	n/a
Non-Research Council	0	90%	0	10%	20%
EC FP7 and other EC funded schemes	0	n/a	n/a*	20%	n/a

**Note:** \* DA is not a recognised category for EC funding purposes. However, Investigator time is an eligible cost for FP7 and (subject to maintaining appropriate timesheet records) is funded by the EC at the current 75% grant intervention flat rate. Recovered Investigator costs from EC grants are allocated 80% to Schools : 20% to UC/PSS.

#### University Services Projects (Services Rendered and Consultancies)

- 26.42 Procedures for University Services projects (services rendered and consultancies) follow the same pattern as set out above for research. In line with Funding Council guidelines, the University seeks to recover full economic costs for University Services projects carried out for external organisations. Projects will therefore be costed according to the fEC methodology using the University's CAP Form as described above for research (para. D.26.12 *et seq.*). Schools should also seek to charge a profit for such work where it is anticipated that the client will gain substantial commercial advantage from the work undertaken by the University and its staff.
- 26.43 Where a School wishes to undertake University Services work at less than full economic cost, a written justification signed by the Head of School (or nominated

deputy) must accompany the completed CAP Form sent to RACDV. The Head of School's justification must set out the case for a reduced price to the client and confirm that the School will subsidise the full economic cost of the project from its own resources. In the event that RACDV considers that the case made in support of a reduced price is unlikely to satisfy the terms of HEFCW's Financial Memorandum with the University, the matter will be referred to the Director of Physical and Financial Resources.

- 26.44 Income from the University Services will be applied to meet the costs of all project staff and other Directly Incurred costs associated with the project. Directly Allocated costs (including Estates costs) and Indirect costs will be charged in accordance with the Full Economic Cost (fEC) methodology and allocated in accordance with the University's policy for their distribution between School and University Costs/Professional Support Services (UC/PSS). For University Services, present University policy is to pass to the Schools 80% of the Directly Allocated costs (other than DA staff costs where 100% is returned to Schools) and 80% of the Indirect costs. Subject to recovery of all other costs associated with the University Services project, where the Directly Allocated costs of Academic Staff have also been recovered, the Head of School (or Directorate) has discretion to authorise payment of a fee to the Academic Staff concerned. After all costs of the University Services project have been met, 80% of any surplus will be passed to the School and 20% of the surplus allocated to UC/PSS.
- 26.45 Approved fee payments to academic staff will normally be made after completion of the University Services contract to the client's satisfaction and after recovery of all monies due to the University from the client. Fee payments will be made through the University payroll after deduction of income tax and employer's national insurance costs. If requested, the fee may be paid into a University account for the use of the individual in furthering his/her research activities without deductions.
- 26.46 The relevant University policy and guidelines governing University Services work are set out in more detail in section D.33 of the University's Financial Procedures – *Policy and Guidelines for University Services and Private Outside Work by Members of Staff*.

#### Duties of Principal Investigator

- 26.47 In preparing a research application or University services proposal, it is the Principal Investigator's responsibility to ensure that it is completed in sufficient time prior to any deadline for submission to an external funding body to enable internal peer review, authorisation and (for electronic submission) despatch by RACDV. The high volume of research and services applications being submitted by the University means that the Principal Investigator **must allow RACDV at least 5 working days** for this purpose. More specifically, before the application or proposal is passed to RACDV for final authorisation, the Principal Investigator must ensure:
- (i) that the staffing and other resources identified in the proposal will be sufficient to enable the work to be carried out to the highest standard in the event that the project is funded;
  - (ii) that cost estimates for the use of any University-designated facilities and for goods or services to be purchased from third parties for the proposed work are up-to-date and comply with any procurement requirements of the funding body or the University;
  - (iii) that all approvals or licences that are required for the proposed work from an external regulatory or similar body have been identified and steps taken to obtain such approvals or licences where necessary;

- (iv) that any specific or exceptional requirements concerning the proposal such as building or refurbishment needs, utilities, health and safety matters, equipment purchasing, advanced computing or similar services have been fully discussed and agreed with the relevant administrative Directorate or Division;
- (v) that all quality assurance or similar internal peer review or approval procedures required by his/her School have been satisfied.

26.48 Following the formal acceptance of a research award or University services contract by the University, the Principal Investigator is responsible for the conduct of all work required under the grant or contract. In particular, it is the Principal Investigator's responsibility to ensure:

- (i) proper financial management of the project in accordance with the terms and conditions of the funding body and the University's Financial Regulations;
- (ii) that all eligible costs properly incurred in undertaking the project are charged to the specific project account code established for this purpose;
- (iii) that expenditure on the project is monitored regularly and remains within the budget established at the outset, wherever possible; where variances arise, to ensure that RACDV's Research Grants Office is alerted at the earliest possible opportunity such that appropriate adjustments may be made to the project budget (with the approval of the funding body, where necessary);
- (iv) that all records of the work undertaken and the personnel and other resources deployed to undertake the work are maintained in such detail and for such duration as are necessary to satisfy internal or external audit of the project and the financial terms and conditions of the relevant funding body; these records shall include, where required by the funding body (including but not limited to European funded projects) formal time sheet records of staff and student time spent on funded projects; such time sheets must be completed and signed by the individual concerned, confirmed through the signature of the Principal Investigator and backed up by appropriate supporting documentary evidence of the work undertaken by personnel such as meeting records, written reports and dated records of scientific tests or other research carried out by the individual concerned;
- (v) that all reports of work carried out that are due to the funding body under the terms of the grant or contract are prepared and submitted in a timely fashion and in accordance with the contractual conditions agreed with the funding body;
- (vi) where invoicing is due only after completion of the work, or in stages following the achievement of specified milestones in the work programme, that RACDV is notified in writing to invoice the funding body at the appropriate time;
- (vii) that any actual or potential conflicts of interest are flagged up to a line manager at the earliest opportunity.

### Use of University Facilities

26.49 In accordance with fEC rules, the University has designated a number of specific facilities (either Major Research Facilities [MRFs] or Small Research Facilities [SRFs]) for which charge-out rates are calculated annually. Where a research grant application (or services project proposal) identifies the use of a specified University facility at the standard charge-out rate, the Principal Investigator must use that facility and not procure an alternative service elsewhere in the event that the application is funded. This is to ensure effective planning for a high utilization rate and for the sustainability of these designated University facilities.

### Debt Recovery

26.50 In all cases where the organisation providing funding for a research or University services project has not made due payment for work carried out, it is the responsibility of the Finance Division to initiate the University's debt recovery procedures. In the first instance, the Finance Division will refer the matter to the Principal Investigator and the Head of School concerned in order to ascertain whether the funding body has a valid reason for non-payment. Where no such valid reason exists, the Finance Division will:

- (i) where the debt is more than 1 month and less than 2 months old, send a standard letter to the debtor;
- (ii) where the debt is more than 2 months and less than 3 months old, issue a reminder letter and contact the funding body by telephone in order to ascertain what further action may be required to recover the debt;
- (iii) where the debt is more than 3 months old, issue a notice that, in the event of continued non-payment, legal action to recover the debt will be instigated.

26.51 Thereafter, the matter will be referred to the Assistant Director (Financial Accounting Services) of the Finance Division to commence formal debt recovery procedures.

### Close Down of Research and University Services Accounts

26.52 All relevant costs need to be charged to the specific account set up for the research or University services project. If a surplus exists on a research or University services project account after the project has been completed and where the funding body is not liable to have any funds returned, the account will be closed by transferring 80% of the balance to a School account and the remaining 20% will be allocated towards UC/PSS. Any deficit on a project account will be cleared by transfer of a debit against School/Directorate funds.

### Donations

26.53 Detailed information on the University's formal procedures for accepting donations is provided in Section D.29 *Funds and Reserves*. Donations, whether in cash or in kind, for research purposes will be reflected in the University's income and expenditure account. In some cases, such donations may qualify as research income for REF purposes. Further advice may be obtained through contacting RACDV's Assistant Director Research Grants or RACDV's Helpdesk (Ext. 79276 or E-Mail: [RACD\\_Help@cardiff.ac.uk](mailto:RACD_Help@cardiff.ac.uk)).

26.54 The value of donated goods or services should be assessed on the basis of what it would cost the University, taking into account normal discounts, to acquire the relevant goods and services. Documentary evidence for the assessment of the value of donations in kind must be attached to the relevant file. The transactions will not be

recorded in the University's accounts until the University becomes legal owner of the goods in question, or after performance of the relevant services.

26.55 Donations in kind should be reported by Schools to the Finance Division who will maintain the appropriate accounting records.

**D.27 POLICY FOR UNIVERSITY COMPANIES AND COMMERCIAL ENTERPRISES**

- 27.1 In accordance with its Strategic Plan, Cardiff University aims to contribute to wealth creation through the commercialisation of the knowledge, inventions and technology generated from its research programmes. This aim has been supported by the development of an Innovation and Engagement Strategy for the University, which is fully supportive of the exploitation of appropriate commercial opportunities stemming from or connected with the research and teaching activities of members of staff.
- 27.2 The University's Policy and Resources Committee shall approve procedures to encourage and assist staff to maximise the commercial exploitation of inventions and processes resulting from research carried out at the University.
- 27.3 University College Cardiff Consultants Limited ('UC3') is the vehicle for holding and exploiting patents and other intellectual property rights on behalf of the University.
- 27.4 Fusion IP Cardiff Limited ('Fusion IP') is the University's vehicle for appraising potential University spin-out companies and commercial enterprises including the establishment and structure of any new company, any shareholding to be retained by Fusion IP and, where appropriate, representation on the board of directors of the new company. Where Fusion IP elects not to invest in a potential University spin-out company, then the Board of UC3 will take responsibility, delegated to it by the University Council, to consider and make recommendations to the Vice-Chancellor and the Chair of Council on the establishment and structure of any such new company, including inter alia any shareholding to be retained by UC3 and held on the University's behalf.
- 27.5 The University has constituted a Commercial Advisory Panel to provide independent advice on proposed commercial transactions such as patents, licences and spinout companies.
- 27.6 All research contracts and commercial exploitation activity, including those of UC3, are managed for the University by the Research and Commercial Division (RACDV). The formal procedures for approving the establishment of any new enterprises that are related to the University and its activities will be in accordance with the general principles set out below.
- 27.7 The University must have prior knowledge of and, working with and through Fusion IP, be given full opportunity to consider and, if appropriate, approve any plans to establish a new company in whose proposed activities the University has a legitimate interest. In many instances, this interest will exist by virtue of the University's ownership of existing intellectual property and know-how arising from research. In others, the interest may result by virtue of the fact that the proposed activity requires use of University facilities or other resources or is otherwise closely related to activities of the University itself.
- 27.8 It is essential for the University to establish at the outset whether any proposed company activity requires access rights to intellectual property generated from externally-sponsored research at the University. In order to retain the confidence and support of the funders of its research, it is imperative that the University complies with the terms and conditions under which such funding is made available. It is RACDV's responsibility to ensure compliance.
- 27.9 It is the responsibility of each member of the University's staff who intends to set up a company to inform their Head of School of their plans before incorporation of the company. The Head of School will discuss the member of staff's proposal with the Director and/or other appropriate staff in RACDV. Where the proposal is one in which

the University has a legitimate interest, RACDV will assume responsibility for working with the member(s) of staff in developing the business proposal and obtaining the necessary University approvals.

- 27.10 The same guiding principles will apply in any situation where a new member of staff of the University is connected with a company prior to being appointed to the University. In this context, “connected with a company” includes where the member of staff has a significant shareholding in, or is a director of the company, or where the company has, or intends to establish, an arrangement to commercialise outputs arising from or directly related to his/her University research activities.
- 27.11 If a new member of staff has a pre-existing connection with a company or business, then the new member of staff should inform the Head of School of the existence of and nature of the interest in the company as soon as practicable. The Head of School will discuss the matter with RACDV and RACDV will assume responsibility for working with the (prospective) member of staff to maximise the support available, obtain the necessary University approvals and, where appropriate, negotiate any agreements between the University, the company and any other relevant parties.
- 27.12 A number of parties are likely to have a legitimate expectation to obtain a shareholding in any new company including the academic inventors and/or other founders of the proposed business, the University and its internal investment vehicles or external investors. In this context the University’s ‘internal investment vehicles’ include the Cardiff Partnership Fund and the Fusion IP Cardiff Fund. The University supports the general principle that academic staff may hold equity in such companies. The apportionment of the initial shareholdings will be determined on a case by case basis, based on discussions and negotiations between the relevant parties. The University’s shareholding interest in such a company will normally be held by Fusion IP on its behalf.
- 27.13 Holders of significant equity in the company, or contributors of other forms of finance (such as loans) to the company, including the University through Fusion IP, will normally require a seat on the board of directors or retain the right to elect an observer to board meetings together with the right to receive the same information as the board of directors but will not otherwise play any direct part in the management of the business.
- 27.14 Any member of staff of the University who proposes to become a director (whether executive or non-executive) on the board of a company must obtain the prior written consent of his/her Head of School as well as that of the Vice-Chancellor, or his nominee. Where the member of staff is also a Head of School, the written consent of the Vice-Chancellor (or his nominee) and the Chair of Council (or his nominee) must be obtained. These approvals will be dealt with by RACDV as part of the approval process.
- 27.15 The University seeks to avoid any conflict of interest between a staff member’s duties to the University as an employee and/or academic supervisor and his/her obligations to the company. In particular, in a situation where the academic member of staff intends to undertake research or other work sponsored by a company in which he/she also has a significant interest and/or is a member of the board of directors, the University will normally require the work to be overseen by another senior member of academic staff of the School. Such supervisor, who will otherwise have neither direct nor indirect interest in the company, may also be required to act as the grant- or contract-holder. In order to manage such potential conflicts of interest all relevant issues will be discussed between RACDV, the staff member and his/her Head of School at the outset. The time contribution of the staff member to the work of the company, as well as any other duties relating to the activities of the company, will be agreed in writing.

- 27.16 In order to minimise the potential for any conflicts of interest between a new company and obligations towards the University (and the obligations of the University itself towards its public funders), any arrangements for research, services-rendered or consultancy work and/or the use of equipment or other facilities will be on an arms length basis. These arrangements will be documented in a formal agreement between the relevant parties and will normally be on terms no more favourable to the company than other similar arrangements with independent third parties.
- 27.17 In the longer term, Fusion IP, the academic founders, and the investors may, subject to the terms of the shareholders agreement, wish to realise their investments in the company. A number of options exist for the sale of the shareholding in the company, which include a flotation on the stock market or alternative investment markets, a management buy-out, a trade sale and/or acquisition by another company. Any decision to realise the investment held by Fusion IP will be made by its Board.
- 27.18 Any significant financial benefit arising by virtue of the University's shareholding in Fusion IP or in a company or commercial enterprise (whether held by the University itself, by UC3 or by one of the University's internal investment vehicles), such as by dividend or capital gain, which is transferred to the University will normally be shared with the Academic School(s) whose activities generated the company on a fair and reasonable basis.

## **D.28 ASSETS**

### Land and Buildings

- 28.1 The Purchase, Lease or Rent of Land or Buildings can only be undertaken with authority from the Council. No member or officer of the Council must enter into any negotiation with any external body or company until such authority has been given.
- 28.2 Legal documents relating to the Purchasing, Leasing or Renting of Land or Buildings must be signed and sealed by the appropriate University officers and the original document deposited with the DPFR. A register of all Land and Buildings owned, leased or rented by the University is retained by the DPFR giving full details of the University's interest and the terms and conditions on which each asset was acquired, including tenancies (if leased), wayleaves and easements, rental agreements, etc.

### Renting of University Space

- 28.3 All proposals for space to be rented to outside bodies should be discussed with the DPFR or nominee. Payment will not need to be made to HEFCW provided the property is in commercial use of benefit to the University or to the academic community over and above the purely financial benefit of receiving an income. Rental agreements should be reviewed annually.

### Use of University Facilities

- 28.4 When members of staff undertaking Private Consultancies wish to work in their University office and to use general University facilities to carry out the work then an appropriate fee will be charged to the member of staff by the School/Division by means of a sales invoice for the use of space, telephones for private calls, copying facilities, secretarial assistance for typing of reports and School/Divisional computer facilities. Advice on the appropriate fee to be charged will be provided to Schools by RACDV in liaison with the DPFR or nominee. If central computer facilities are to be used for Private Consultancies then prior approval must be sought from the Director of Information Services who will arrange for billing to take place. All charges for use of University facilities in a private capacity are subject to VAT and will be billed by RACDV via the Services Rendered range of accounts.
- 28.5 Hiring out University vehicles is prohibited.

### Disposal of Land and/or Property

- 28.6 Policy and Resources Committee must consider all proposals to sell land and/or property. Disposals must be independently valued by professional surveyors and independent of those involved in the sale procedures. Adequate attention must be given to:
- (a) maintaining the University's rights of access to land where peripheral areas have been disposed of; and
  - (b) disposals on a collective basis i.e. the sale of a small piece of land may preclude the sale of the remainder.
- 28.7 All disposals (including obsolete items) must be properly authorised by the ADFP. Obsolete equipment that is unwanted should be disposed of on a regular basis. The date and reasons for disposal must be entered in the inventory at the time.

### Disposal of Furniture and Equipment

28.8 The approval of the Head of School/Directorate (or designated officer) is required prior to the disposal of any items shown on an inventory.

28.9 The procedure for disposal is as follows:-

- (a) Surplus, obsolete and redundant goods (including consumables) and equipment should be disposed of as quickly as possible, subject to value for money considerations. It is the Head of School/Directorate's responsibility to ensure the maximum return is obtained by the University whilst minimising the cost of disposal. It must be emphasised that the University owns all goods and equipment, accordingly surplus and obsolete goods and equipment should initially be offered for sale to other Schools/Directorates of the University. From 1 September 2011 all adverts must be posted via xChange on: <http://xchange.procureweb.ac.uk/>. Buyline will no longer receive and circulate email advertisements. Information on how to post adverts to the system can be obtained via <https://www.cardiff.ac.uk/purch/surplus/index.html> . Once it has been established that no School/Directorate of the University has any further use for goods or equipment the item should be disposed of as appropriate to ensure the University obtains the maximum possible revenue and incurs a minimum amount of cost.
- (b) All items with a value above £1,000 or generic products where the total aggregate value exceeds £1,000 must be advertised for sale to the public in an appropriate way. This may include advertising in the local press, or appropriate trade journals or by selling through an appropriate auction.
- (c) Where the estimated total residual value exceeds £5,000, two alternative procedures are available. If there is a prospective Cardiff University Divisional/School buyer for the continued use of the items within the institution, the items must be independently valued by a qualified person or organisation in conjunction with the ADFP. The valuation will establish the sale price of the items. Alternatively, if there is no internal interest or if a sale price cannot be agreed, the item(s) must be offered for competitive tender in conjunction with the ADFP. Equipment available for tender should be advertised in an appropriate publication and/or on the HE Sector website: <http://xchange.procureweb.ac.uk/> . Sealed offers should be returned to the Head of Division/School who must ensure that they are kept secure until the time and date specified for their opening. Tenders must be opened in the presence of at least two senior staff. The highest tender should normally be accepted subject to satisfactory arrangements for payment. The result must be advised to the ADFP. In the event that no interest is shown in a sale item, only after the various procedures have been followed, the item may be written off the departmental inventory by an authorised member of staff, and the item either given away, or scrapped.
- (d) VAT is relevant in most cases and must be applied to any value agreed. Queries should be raised with Louise Dunbar, FINCE Ext. 76400 [DunbarLA@cardiff.ac.uk](mailto:DunbarLA@cardiff.ac.uk).
- (e) The proposed disposal of any item of artwork must be notified to Carole Mason, ESTAT Finance Ext. 76696 so that the relevant adjustments to the Artworks Register can be made.

(Reference – Purchasing web pages on ‘Disposal Guidance’ -  
<https://www.cardiff.ac.uk/purch/surplus/index.html>)

- 28.10 Any items not required by another School/Directorate which have an estimated total disposal value of less than £1,000 should be disposed of by Heads of School/Directorate at the best price obtainable through competitive tender.
- 28.11 A “Transfer of Asset” form must be used in order to protect the University from possible risk and ensure that any WEEE responsibilities are transferred to the buyer. This is available via; <https://www.cardiff.ac.uk/purch/surplus/index.html>. Any markings identifying the equipment as the property of Cardiff University must be removed before the equipment is removed from site.
- 28.12 Equipment covered by WEEE Regulations that remains unsold and is not being removed by the supplier of replacement equipment or the original supplier (if purchased after 13 August 2005) must be disposed of in accordance with the University’s procedures for the disposal of WEEE. See <https://www.cardiff.ac.uk/purch/surplus/disposalf/weee-equipment.html>.
- 28.13 All income resulting from the sale of equipment received directly by a School/Directorate should be credited to the appropriate income sub-code and the VAT liable coded to the appropriate VAT account.
- 28.14 Where items are sold, the proceeds of disposal should be recorded in the inventory together with details of the relevant sales invoice, date of sale, and name of purchaser. A copy of the “Transfer of Asset” form must be retained.
- 28.15 Where Schools/Directorates have equipment or furniture, which is regarded by them as being obsolete, this should be disposed of in accordance with relevant regulations. Obsolete assets should be disposed of regularly.
- 28.16 If the equipment is covered by the WEEE Regulations, the inventory/purchase records should be checked to identify the date of purchase and the correct disposal procedure followed. Further guidance is available via:  
<https://www.cardiff.ac.uk/purch/surplus/disposalf/weee-equipment.html>.

### Inventories

- 28.17 Heads of School/Directorates are responsible for the physical security of assets (i.e. furniture and equipment) under their control and ensuring that inventories are kept up to date in an approved form. All assets purchased with funds administered by the University (e.g. in relation to research grants and contracts) belong to the University. The items of equipment to be recorded in inventories should be restricted to:
- (a) All items in excess of £1,000 (or insurance limits);
  - (b) All laptop computers;
  - (c) Other items that are considered particularly prone to pilferage;
  - (d) Groups of similar items, e.g. furniture – office desks, chairs, cabinets;
  - (e) Artworks including paintings, sketches, drawings, photographs, collages, ceramics, tapestries, sculptures, or any other artefacts deemed to be a work of art.

- (f) All equipment covered by the WEEE Regulations (in order to ensure the correct disposal procedures are followed). A list of equipment covered by the WEEE Regulations is available via:  
<https://www.cardiff.ac.uk/purch/advice/legal/wee/goods/index.html>.

However, a School/Directorate may use discretion and include in its inventory equipment below this mandatory threshold e.g. equipment that is required to be tested frequently, etc.

- 28.18 Whenever there is a change of responsible officer, the incoming officer must ensure that the inventory is up to date and the contents checked as soon as practicable.
- 28.19 Inventory contents should be grouped in a logical manner, appropriate to the School/Directorate. FINCE will provide advice as required.
- 28.20 Inventories must include all equipment or other valuable assets (e.g. paintings/portraits). Items purchased prior to August 2002 can be listed at the value then stated but, thereafter, any new items purchased should be included at cost only as FINCE will adjust values automatically for inflation for insurance purposes. The exception to this relates to items costing above K£250 which need to be inflated each year by the inflation rate provided by FINCE. Individual items of minor value (e.g. chairs, tables, etc.), should also be included, where they form a significant portion of the total value of the School/Directorate property.
- 28.21 ESTAT Finance shall maintain a central record of all artworks in the University and shall ensure that appropriate measures are taken with the valuation, insurance, care and security of the collection. Artwork is defined as any painting, sketch, drawing, photograph, collage, ceramic, tapestry, sculpture, or any other artefact deemed to be a work of art. For the purposes of day-to-day care and management, artworks held in School/Directorate rooms shall be regarded as part of that School/Directorate's inventory. All artworks in public access areas (e.g. staircases, foyers, corridors and pool rooms) shall be the day-to-day responsibility of ESTAT Finance. Relocation, storage or other removal of artworks valued at K£1 or more, shall be undertaken only by ESTAT Finance staff. School/Directorate acquiring or moving artwork(s) shall be required to advise ESTAT Finance in writing so that the catalogue and inventory may be updated. Any movement/relocation by ESTAT Finance staff of artwork(s) in public areas or pool rooms shall be notified, in writing, to the Heads of School/Directorate located in the relevant building and also in writing or by email to the Senior Finance Officer, ESTAT Finance, [MasonCA@cardiff.ac.uk](mailto:MasonCA@cardiff.ac.uk).
- 28.22 Items should be entered on the inventory when acquired, giving details where appropriate of the School/Directorate serial number, name, invoice details, supplier's invoice number, date of acquisition, order number, supplier, supplier serial number, cost, replacement date, staff responsible, location, account code, funding body, equipment or furniture category and replacement value.
- 28.23 The original source of any non-University purchased items should also be shown (e.g. gift, loan, donation, etc.) giving full details of source, reason(s) and date. This should similarly be done for hired and leased items.
- 28.24 Personal property, particularly in the form of loaned books or equipment remains the insurance responsibility of the owner - not the University.
- 28.25 Where possible items should be clearly and indelibly marked as being the property of the University by the use of security labels which are highly visible, include the University logo as approved by SRWEB and are tamper proof; alternatively, an ultra-violet pen may be used to mark items.

- 28.26 University property must not be removed from the premises at which it is normally kept, other than for normal University duties unless approved by the Head of School or nominee. If equipment is removed on a temporary basis, it is essential for insurance purposes that the responsible Head/Director should ensure that a record is maintained showing the date of removal, place of temporary location, and date of return of any such equipment. Requests to temporarily remove equipment and subsequent approval by the Head of School/Directorate should be formally recorded upon a standard pro-forma which should also act as “off-site” log. The standard pro-forma (“off-site” log) should require the member of staff to confirm that the equipment removed will be for “business use” only. Details of any damage or loss of artworks must be notified immediately to Carole Mason, ESTAT Finance (Ext. 76696).
- 28.27 Inventories must be checked by the Head of School/Directorate or his/her nominated deputy at least once a year. After each check the date and signature of the person making the check should be recorded on the inventory list. Verification of a sample of items held is acceptable, but should include all new items >K£1 purchased in the last 12 months, together with a 10% sample of smaller items.
- 28.28 Any deficiencies must be recorded and reported to the Assistant Director (Management Accounting Services) by the Head of School/Directorate who will also make such arrangements for write-off as are necessary under University Financial Regulations.
- 28.29 On the 31 July annually, the responsible Head of School/Directorate should submit a detailed annual inventory valuation including a printed copy to FINCE in the form obtainable from the Management Accounts Section which will include a statement of all assets under his/her control broken down by category as outlined below:-
- (a) Furniture and Equipment (other than Computer Equipment) together with any other valuables (e.g. original paintings).
  - (b) Computer Equipment.
  - (c) Vehicles.
- [N.B. Whilst these will form part of the total assets of the School/Division, they are separately insured under the University's Motor Policy].
- 28.30 A reconciliation between the current inventory and that forwarded previously must be attached to provide a basis of reliability.
- 28.31 Where equipment has been purchased via INSRV for administrative Directorates it will be the responsibility of INSRV to carry out the related inventory check and subsequent returns.
- 28.32 Schools/Directorates should comply with the full inventory requirements of the Financial Regulations and Procedures by 31 August.
- 28.33 The certificates will be used as the basis for contents insurance purposes.
- 28.34 The DPFR, or nominee, may at all reasonable times have access to inventories and their related assets and may make such checks as are deemed necessary to verify compliance with Financial Regulations and Procedures.
- 28.35 The Joint Internal Audit Unit will also carry out a cyclical check and must, on request, have access at all reasonable times in order to inspect inventories and their related assets.

Vehicles

- 28.36 Vehicle log sheets must be maintained for all pool and vehicles hired/leased by the University in the manner prescribed by FINCE.
- 28.37 It should be noted that to qualify for pool car status:
- the vehicle should not be monopolised by one individual;
  - the vehicle should ordinarily be parked on University premises overnight.
- 28.38 Official University vehicles should not be used for private motoring as a taxable benefit-in-kind will arise.
- 28.39 Schools should maintain records annually showing mileage and annual expenditure for each vehicle broken down by section (i.e. road tax, servicing costs, petrol, oil, repairs, other costs).
- 28.40 Disposal of vehicles shall be in line with the provisions of D.28.9-D.28.16. To ensure that the University is not placed at risk of prosecution, the vehicle must be sold with an MOT no more than 3 months old or a service history showing a full safety check has taken place within the previous 3 months, if the vehicle is not being traded-in against a replacement vehicle. If the University intends to scrap the vehicle, The End-of-Life Vehicles Regulations 2003 must be complied with, if applicable.

TRANSFER OF RESEARCH EQUIPMENT BETWEEN INSTITUTIONSEquipment Relating to a Current Research Grant/Contract

- 28.41 The situation may exist where a member of staff is a research grant/contract holder and the equipment purchased against the grant/contract is still the property of the awarding body. If the research project is to be transferred to a new institution and the member of staff is the only grant-holder then the equipment may be transferred after written agreement has been received from the sponsor by RACDV and the DPFR has confirmed in writing to the Head of School of the member of staff his agreement to the transfer.
- 28.42 If the grant is a joint project then transfer of equipment may only take place after negotiations between the staff member leaving, the other grant holder(s), RACDV and the awarding body. If transfer of equipment is agreed then this may only be done following written agreement from the sponsor to RACDV and the DPFR has confirmed in writing to the Head of School of the member of staff his/her agreement to the transfer.
- 28.43 School inventory records must be adjusted following transfer.

Equipment Relating to an Expired Research Grant/Contract

- 28.44 Equipment purchased on an expired research grant/contract, equipment purchased from overheads or surplus on a research account, equipment purchased from a surplus on a short course account, equipment purchased from overheads or surplus on a services rendered account, equipment purchased from School/Divisional funds should be dealt with using the following procedure.
- 28.45 No equipment may be transferred to another institution or retained by a member of staff on leaving the University until the DPFR has given agreement in writing. If agreement is given then the School inventory records must be adjusted following transfer.

### Transfer of Consumable Items

28.46 Consumable items remain the property of the University and may not be transferred at nil value to another institution unless the DPFR has agreed in writing. Any queries on determining the sale price of consumables should be directed in the first instance to PURCH.

### School Subject to Closure or Merger

28.47 The adequacy and accuracy of the School inventory must be independently verified by FINCE immediately following the formal ratification of a School's closure or merger.

28.48 The custodianship and specific location of 'desirable' assets (e.g. computer equipment) should be annotated upon the School inventory. Such assets should be individually tagged using sequentially numbered labels, so that there can be no confusion as to which assets are being referred to.

28.49 The incumbent Head of School should acknowledge the accuracy of the School inventory after the verification above has been carried out.

28.50 A copy of the updated inventory should be held by FINCE.

28.51 The accuracy of the School inventory should be independently verified immediately prior to the School's closure or merger. Anomalies identified should be queried and accounted for by the outgoing Head of School.

28-52 The Head of School designate should ensure that all assets due to be handed over are duly transferred/received.

### Security

28.53 Members of the University who have been allocated items of furniture and equipment for their office or personal use have a responsibility to ensure that such items are adequately cared for and are kept as secure as possible when not in use. It is the duty of each member of the University to lock his/her office door when the room is not in use (however short the period of time), and to ensure that all windows are closed and secured. Failure to take such action will prejudice any subsequent insurance claims for loss or damage to furniture or equipment.

28.54 The University will not in any circumstances accept responsibility for the loss of any personal possessions which are stolen from unlocked or unsecured offices. The University is also unable to accept responsibility for petty thefts.

28.55 Members of staff and students wishing to use items of University furniture or equipment outside the University must obtain authority from the Head of School/Directorate and give prior notification and full details of both the location to which the item(s) are to be taken and the length of the removal to the Head of School/Directorate.

28.56 Emergency doors are provided in all buildings; these must be kept closed in accordance with instructions and they should not be used for normal exit and/or re-entry after closing hours.

28.57 The Head of Security has overall responsibility for security arrangements in the University.

28.58 A list must be maintained within each School/Directorate of nominated key holders so that areas to such secure environments can be appropriately controlled.

- 28.59 Wherever possible, a key cabinet must be provided for the safe keeping of keys. Access to the key cabinet must be restricted to the designated supervisor or nominee.
- 28.60 All keys relating to cash handling systems and procedures must be locked away at the close of trading. Keys to safes etc should be carried on the person of those responsible.
- 28.61 Key checks must be completed at regular intervals by the designated senior officer.
- 28.62 Heads of School/Directorates must ensure that keys are returned by staff upon their transfer or termination of employment. Safe and alarm combinations should also be changed.

## **D.29 FUNDS AND RESERVES**

### Donations

- 29.1 Donations may be received as a result of individual or corporate generosity. In such cases it is important that the implications of any potential donation are fully examined and understood before any commitment is given by the University to accept the donation. The Director of DEVAR and DPFR or nominee must therefore be informed as early as possible about any initiatives by members of staff to raise money from outside sources. A decision will then be taken on whether the matter needs to be considered by Policy and Resources Committee. DEVAR will formally accept the donation on behalf of the University and, if appropriate, approve the wording of the Endowment Deed establishing the Fund.
- 29.2 The Director of DEVAR has primary responsibility for co-ordinating the assessment of the implications of accepting a donation through an appropriate decision making mechanism which will include ethical, legal and financial due diligence. The Director of DEVAR will liaise with FINCE, RACDV and other relevant administrative divisions as necessary.
- 29.3 Due diligence procedures will include:
- (i) An ethical filter including, as appropriate, information on source of funds, potential conflicts of interest and objectives of individual donors or donor organisations will be applied to ALL donation amounts, from ALL sources.
  - (ii) The extent of the financial and legal due diligence checks required will depend on the amount, nature and source of the donation and will be sufficient to provide reasonable assurance that reputational, financial and legal risks to the University are minimised.

### One-off donations

- (iii) Normally no detailed check will be required if a one-off donation is under a K£25 limit.
- (iv) For one-off donations of K£25 or above there is a need to carry out a check of the individual donor or donor organisation and, where necessary, through a contracted external agency.

### A series of donations

- (v) Where an organisation or individual agrees to a series of donations over a period of time, the University will need to establish with reasonable certainty that the agreed funds will be available at the agreed times - especially if these funds are relied upon to fund a specific ongoing University activity. Therefore, in these circumstances, appropriate due diligence\* checks, through a contracted external agency, will be required.
- (vi) A formal agreement with the individual donor or donor organisation will normally be required.

\*For example, CCJs, Companies House checks/Credit agencies/other searches.

- 29.4 The acknowledgement of the receipt of donations is the responsibility of DEVAR who will record the amount, the full details of the donor and the terms under which it is given.

- 29.5 FINCE will maintain the accounting records. Claims to HMRC for refund of tax under Gift Aid arising from donations from individuals are submitted by FINCE at regular intervals (as appropriate).

### Endowments

- 29.6 The University Council is the Trustee of all funds held within the Endowments Register. The management of the investment of these endowments has been delegated to Policy and Resources Committee.
- 29.7 Upon receipt of a new endowment, the University Council will be bound by the express wishes of the benefactor. When an endowment is received which has no express instructions as to its investment, the University Council will decide whether or not the endowment should be pooled for investment purposes. The Policy and Resources Committee is responsible for ensuring that the investment of each of the University's endowments is operated within any relevant legislation and the specific requirements of each endowment. The DPFR is responsible for maintaining detailed accounting records for each endowment account. The administration of those funds which are to be pooled shall follow the detailed regulations set out in sections 10 to 16 of the University of Wales, Cardiff Act 2004. Endowment Funds of a short term nature will normally be held in cash on deposit.
- 29.8 The University will establish, with effect from 1 August, an investment pool. A review of the value of the investment units is effected annually each 31 July.
- 29.9 New funds to be invested in the University Pooling scheme and existing pooled funds wishing to leave the scheme will therefore base their unit entitlement on the value in existence at the previous 31 July.
- 29.10 Those funds which are invested in the Pooling schemes will be entitled to receive annual income and that income will be distributed as at 31 January and 31 July based upon their issued units.
- 29.11 For the orderly running of the schemes, expenditure incurred by the individual endowment funds should be kept within the potential income and must be applied only for the prescribed purpose(s). Schools must therefore be aware of the rules applicable to expenditure against such funds.
- 29.12 In the event that it is decided not to pool the investment, then the University Council will decide how to invest the endowment as Trustee with due regard to avoid investments accompanied by risk, whilst achieving both diversification of investment and a reasonable return.

### **D.30 POLICY FOR INTELLECTUAL PROPERTY RIGHTS**

- 30.1 In accordance with its Strategic Plan, Cardiff University aims to contribute to wealth creation through the commercialisation of the knowledge, inventions and technology generated from its research programmes. This is a key aim of the University's Innovation and Engagement Strategy, which supports the exploitation of appropriate commercial opportunities stemming from or connected with the research and teaching activities of members of staff. The University's Policy and Resources Committee is responsible for procedures to deal with any intellectual property rights (IPR) accruing to the University from inventions and discoveries made by staff (and, where appropriate, students) in the course of their activities.
- 30.2 In general terms IPR can be defined as the rights given by law to ownership of intellectual property generated by mankind's creativity. More specifically, IPR has been defined as "the rights relating to: literary, artistic and scientific works; performances of performing artists, phonograms and broadcasts; inventions in all fields of human endeavour; scientific discoveries; industrial designs; trade marks; service marks and commercial names and designations; and all other rights resulting from intellectual activity in the industrial, scientific, literary and artistic fields".
- 30.3 Successive acts of Parliament have provided a legal framework within which intellectual property may be protected and commercially exploited. The University has formulated this Policy for Intellectual Property Rights within this legal framework with the intent of protecting and, where appropriate, commercially exploiting the results of University research programmes.
- 30.4 Both the 1977 Patents Act and the 1988 Copyright Designs and Patents Act indicate that, where intellectual property is generated during the normal course of an individual's employment, such intellectual property shall belong to the Employer. University policy is to exercise the right to ownership of intellectual property and to commercially exploit such intellectual property to the mutual benefit of the originator of the intellectual property and the University.
- 30.5 The University's patent-holding company, University College Cardiff Consultants Limited, ('UC3'), is the vehicle for holding and exploiting patents and other IPR on behalf of the University. A budget for filing patents for the protection of IPR is held by UC3 and managed by its Board. Fusion IP Cardiff Limited is the University's vehicle for appraising potential University spin-out companies and commercial enterprises including the establishment and structure of any new company, any shareholding to be retained by Fusion IP Cardiff Limited and, where appropriate, representation on the board of the new company.
- 30.6 The University has constituted a Commercial Advisory Panel to provide independent advice on proposed commercial transactions such as patents, licences and spinout companies. The Research and Commercial Division (RACDV) manages all research contracts and commercial exploitation activity of the University, including those of UC3.
- 30.7 Any member of staff wishing to discuss the protection of any idea or other form of intellectual property must discuss the matter with RACDV at the earliest opportunity and, in any event, before disclosing the idea to any party outside the University either orally or in writing. Prior public disclosure (other than under explicit terms of confidentiality) will invalidate any subsequent patent application and diminish both potential commercial value and benefits accruing to the University and the inventor(s).
- 30.8 A record will be kept of the date and time on which a member of staff reports to RACDV that he or she is the inventor of a creative product. RACDV is responsible for keeping a register of all patents owned by the University and/or UC3 and of those

patents assigned to third parties where a member of University staff is a named inventor.

- 30.9 Sponsored research contracts will, in most instances, allow the University to retain ownership of the arising intellectual property in order to enable the University to control its commercial exploitation. Care must be taken in such contracts to ensure that adequate provision is made for the proper exploitation of arising intellectual property.
- 30.10 In pricing sponsored research contracts, RACDV will give due consideration to the potential value of resulting intellectual property as well as the value of any pre-existing, background intellectual property, software or patented inventions which may be used in furtherance of the research project.
- 30.11 Copyright in any work produced by an employee in the course of employment belongs to the employer. The University, however, normally reassigns ownership of copyright in any work to the author and waives any claim it may have to benefits arising from publication, with the exception of the following, which shall belong to the University:
- (i) Copyright in course materials produced in the course of employment for the purposes of the curriculum of a course being run or to be run by the University and which are produced, used or disseminated within or by the University;
  - (ii) Copyright in works produced with financial support from an external organisation where the terms of such funding require the University to license or assign copyright in the work to the funding organisation or to any third party;
  - (iii) Copyright in any software program generated in the normal course of University employment;
  - (iv) Copyright in any designs, specification or other works which may be necessary to protect rights in commercially exploitable intellectual property.
- 30.12 The University recognises that students, whether undergraduate or postgraduate, may generate, or contribute to the generation of, intellectual property while carrying out research projects at the University. Notwithstanding the fact that the University is not the employer of students enrolled at the University and, as such, does not normally seek to claim ownership of rights in intellectual property generated by students, the University will take assignment of intellectual property generated by students in the following circumstances:
- (i) where the terms of the student's financial support requires the University to be the owner of any intellectual property created, such as in the case of a postgraduate studentship sponsored by a Research Council or a company; or
  - (ii) where the student is the legal owner of intellectual property generated in the course of his or her work but elects, at his/her sole discretion, to assign ownership to the University.

Where the University decides, in its absolute discretion, to exploit commercially any intellectual property assigned to the University in accordance with either (i) or (ii) above, the student inventor will be treated in the same way as an employee inventor. All costs of protecting the intellectual property will be met by the University's commercialisation company (UC3) and any revenue received by UC3 from commercial

exploitation will be shared with the inventor(s), whether students or staff, in accordance with UC3's revenue-sharing arrangement in force at the time.

- 30.13 The negotiations to license or assign University intellectual property will be conducted on its behalf by RACDV, and the legal documents to implement agreements will, in appropriate cases, be drafted by the external Solicitors who advise the University and UC3 on intellectual property matters.
- 30.14 When a licence agreement has been entered into, RACDV shall be responsible for ensuring that its terms are complied with, that the proper royalties are received by the University via UC3, and that all income arising is properly distributed in accordance with the revenue-sharing arrangement.
- 30.15 The University share of royalty income is utilised to offset the annual costs of maintaining patents and licences and any under-recovery is found from the annual funding allocation made by the University to RACDV.
- 30.16 The basis of sharing of rewards with academic staff and students for their contribution to a successful exploitation is shown below. Of the income received by UC3 from the commercial exploitation of any intellectual property, the first £2,000 of any net income received for any single item will be paid to the member(s) of staff and/or student(s) who generated the intellectual property. Thereafter, the cumulative net revenue (after taking into account patent, legal and external marketing costs) received by UC3 will be shared between the Inventor(s), the Inventor(s) School(s) and the University as shown below:

	<u>Inventor(s)</u>	<u>School(s)</u>	<u>University</u>
<b>Net Revenues</b>	<b>%</b>	<b>%</b>	<b>%</b>
First £2,000	100	0	0
Next £40,000	60	20	20
£42,000 – 200,000	50	25	25
Over £200,000	30	35	35

## D.31 INSURANCE

### Fire

- 31.1 Buildings and their contents are insured for full replacement costs if destroyed or damaged by fire, explosion, storm, flood and certain other perils. Under the policy there is an extension for cover for malicious damage. Members of staff are responsible for their own personal belongings and should make sure they are covered under their own household policy.
- 31.2 In the event of circumstances giving rise to a claim the Insurance Section, ESTAT Finance (Ext. 79878) should be notified immediately. Damaged areas or items should be left untouched in case there is a need for an insurance assessor to carry out an examination. Full details regarding the loss will have to be reported on the official form available from ESTAT Finance, and repairs, redecoration or replacement must not be undertaken until approved by the insurers. Estimates for the cost of such work should be supplied with the report form. The policy excesses are currently: Buildings and Contents K£2.75, which is the responsibility of the School/Division involved unless agreed otherwise with the Director of Physical and Financial Resources.

### All Risks

- 31.3 Contents of buildings (including items for which the University may be temporarily responsible) are insured for theft and accidental physical loss or damage under an All Risks policy. An excess of £2,750 applies to claims such as theft, accidental damage and all other losses, which is the responsibility of the School/Division involved unless agreed otherwise with the DPFR.
- 31.4 Under this policy ESTAT Finance must be notified if items valued in total at more than the sums stated below are taken away from the University premises:
- Anywhere in the world K£250 (K£60 any one item)
- 31.5 Personally owned equipment brought in by individuals for use in Schools/Divisions should be insured under the owner's Household policy. Members of staff are advised to check their own cover if in doubt on this point.

### Liability

- 31.6 The legal liability of the University to its employees is covered under an Employer's Liability Policy as required by law.
- 31.7 For liability to rest on the University negligence has to be proved before any claim on account of injury can succeed. In any instance where an employee is injured whilst at work no liability is to be accepted as this is entirely a matter for the Insurers under the terms of the policy. They will reach a decision in the light of the particular circumstances. For this reason it is extremely important that the official Accident Report on the form obtainable from the Occupational Safety, Health and Environment Unit (Ext. 74790) is completed in every instance of accidental injury, even though it may seem trivial at the time.
- 31.8 Please note also that intended activity, by either members of staff or students, on off-shore platforms/rigs should be reported to ESTAT Finance (Ext. 79878) immediately it is known, as cover is specifically excluded under the Policy.
- 31.9 Similarly, legal liability to Third Parties is covered under a Public Liability Policy. Again, under no circumstances should liability for injuries or damage to property be

accepted, as this is for the Insurers to decide when claims are passed to them for consideration.

- 31.10 Should any member of staff receive a communication, accusing the University of negligence and liability, it should be passed to the Insurance Officer, ESTAT Finance immediately, unacknowledged.
- 31.11 IMPORTANT - Please note that under no circumstances should members of staff offer any verbal advice and/or assistance to employees and/or Third Parties involving any potential or actual claim. All communications must be made in writing and sent to ESTAT Finance for the attention of the Insurance Officer (Ext. 79878).
- 31.12 When claims by employees or Third Parties against the University are made it may be necessary for the Insurer's representatives to visit the place where injury or damage to property occurred to discuss details, question witnesses and examine the area. They will make arrangements through ESTAT Finance and discussions will normally take place in the presence of an experienced member of the Finance Division staff.
- 31.13 Schools/Divisions who are involved in placement of students with outside organisations, as part of their studies, either abroad or in the United Kingdom, should ensure that liability insurance is provided by the organisation being visited.

#### Money

- 31.14 Cover is available for loss or damage to money belonging to the University or for which it has accepted responsibility, limited to K£20 whilst in transit to or from bank and whilst on premises during business hours or in bank vault or night deposit. This limit is reduced for money kept in locked safes during out of hours business as follows:

Cash Office (1 Safe)	K£30
Cash Office (1 Safe)	K£6
Arts & Social Studies Library (1 Safe)	K£20
Arts & Social Studies Library - Graphics (1 Safe)	K£5
Talybont Bar (1 Safe)	K£10
All other locked safes - strongrooms	K£3.5

- 31.15 There is also cover, limited to £500, for monies not kept in a safe out of business hours and at dwellings of authorised personnel, this reduces to £350.
- 31.16 Any loss should be notified to ESTAT Finance (Ext. 79878).
- 31.17 Please note that for cash carryings in excess of K£2.5, specific restrictions apply (refer to ESTAT Finance, Ext. 79878).

#### Motor

- 31.18 University vehicles are insured under a Comprehensive Motor Policy with unlimited cover for Third Party or passenger bodily injury and M£20 for Third Party property damage.
- 31.19 An excess of £100 applies, in respect of claims for accidental damage.
- 31.20 Should an accident occur or a claim arise then the appropriate accident report form should be obtained from ESTAT Finance (Ext. 79878). Where a Third Party is involved then no admission of liability should be made. The accident report form should be completed in full and returned to ESTAT Finance and, where the estimated labour charges are below £250, then repairs may proceed immediately. Should the labour charges exceed £250 then two estimates should be obtained and submitted with

the completed form. Details of the Insurers' Approved Repairers can be obtained by telephoning Ext. 79878.

- 31.21 ESTAT Finance (Ext. 79878) must be informed if drivers have any health problems and also when they are prosecuted for Road Traffic offences. Such offences that have occurred within the preceding five years must also be notified.
- 31.22 Hire of minibuses is subject to usage in accordance with certain special regulations, details of which can be obtained by contacting ESTAT Finance (Ext. 79878).

#### Professional Indemnity

31.23 The legal liability of members of staff and of University companies in respect of professional negligence resulting in financial loss by Third Parties is insured under a Professional Indemnity Policy. This includes cover for defending claims for infringement of copyright, of patent rights and, to a limited extent (K£250), pursuing claims against Third Parties who infringe such rights vested in the University or its companies.

31.24 The limit of any one claim under this policy is M£5.

31.25 Excluded from the cover are:

1. Advice or design specification incorporated in aircraft or aerial devices above £500,000 i.e. the first £500,000 of such claims are covered.
2. Claims for pollution brought in USA or Canadian Courts or enforcement by a party outside USA/Canada of a decision made by a Court in USA/Canada, i.e. that USA/Canada claims are not excluded.
3. Clinical Trials defined as an investigation or series of investigations consisting of the administration of one or more substances or articles for administration to human beings or animals for:
  - (a) treating or preventing disease;
  - (b) diagnosing disease or ascertaining the existence, degree or extent of a physiological condition;
  - (c) contraception;
  - (d) inducing anaesthesia;
  - (e) otherwise preventing or interfering with the normal operation of a physiological function.
4. Seepage, pollution or contamination of any kind.  
subject otherwise to the terms of the policy.
5. The manufacture or supply of a product, but not a prototype or computer software.
6. Members of staff who are qualified Doctors and/or Dentists should maintain their own full Medical Defence cover.

### Public and Products Liability

- 31.26 Cardiff University has Public and Products Liability providing Indemnity to Principals which includes Medical Malpractice risk for students providing they are working under the supervision of a medically qualified person in any premises on a world wide basis.
- 31.27 The limit of any one event under this policy is M£50 and in the aggregate in respect of Products Liability and unlimited in the aggregate in respect of Public Liability but M£2 only in the aggregate of Medical Malpractice.

### Clinical Trials

- 31.28 Consequently, clinical trials as defined above are covered automatically, but trials involving the following are excluded and must be referred to underwriters:
- (a) trials involving the use of a drug or surgery;
  - (b) the use of volunteers
    - (i) who are known to be pregnant;
    - (ii) who are under 5 years of age;
  - (c) the use of volunteers outside of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man;
  - (d) the process of conception or contraception;
  - (e) Genetic engineering.

### Personal Accident

- 31.29 All University staff are covered under a Personal Accident Policy whilst carrying out official duties or travelling to or from the place of work. Members of staff wishing to extend the cover for 24 hours, at their own expense, should contact FINCE (Ext. 75432).
- 31.30 In the event of death, under the University policy, dismemberment or permanent total disability as a result of injuries sustained, the capital sum payable will be 5 x annual salary, with a minimum payment of K£25 and a maximum of K£120. Similar benefits apply in respect of persons (not employees) attending meetings of Council and other official bodies. Persons between the ages of 14 and 70 (not employees) who assist in archaeological digs are covered for capital benefits amounting to K£10. Animal researchers and members of their families over 16 are also covered and details of benefits are available from ESTAT Finance (Ext. 79878)
- 31.31 Students are insured for capital benefits of K£5 in respect of claims resulting from accidental injuries sustained whilst following courses of study (excluding whilst in Halls of Residence).
- 31.32 Student Wardens and Assistant Wardens are insured for capital benefits of K£25 whilst performing their duties at the particular Hall/Student Residence.

### Travel

- 31.33 Under the above policy M£5 cover is provided for both staff and students relating to medical expenses incurred abroad and there is associated cover for personal baggage only up to K£2 as under a normal policy taken out through a travel agent. If necessary, members of staff may obtain a certificate of insurance relating to this policy from

ESTAT Finance (Ext. 79878) prior to departure from the United Kingdom, although one will be issued automatically, where an Overseas Travel Advance application is submitted to FINCE. In cases where staff or students do not submit an Overseas Travel Advance request to FINCE, they should contact ESTAT Finance (Ext. 79878), at least 48 hours prior to departure on an overseas trip. Travellers must report losses to the police within 24 hours of the loss and obtain a copy of the report.

- 31.34 Green Cards are provided by the University's Motor Insurance (NFU Mutual Insurance Society Ltd) and, where the University's owned vehicles are taken abroad, the Card can be obtained from the Insurance Officer on Ext. 79878. Notice must be given of the vehicle registration, details of all drivers, the country(ies) to be visited and the dates of departure and return. Green Cards are not required in EEC countries but will be issued if requested.
- 31.35 If a vehicle is hired outside the United Kingdom then insurance and, if possible, top-up cover should also be obtained. The University's Motor Insurance Policy does not extend to vehicles hired outside the United Kingdom.

### Computers

- 31.36 Cover includes loss and damage to equipment including associated and peripheral equipment, data recompilation costs and increased costs to working. Cover excludes any costs recoverable under a maintenance agreement.
- 31.37 Cover also extends to equipment loaned to the University, up to a value of K£100 and additional computer equipment purchased during the year up to a limit of K£200 at any one location, additions exceeding this limit should be notified to ESTAT Finance (Ext. 79878).
- 31.38 Computers off University premises are covered subject to the following limits:
- Limit in transit anywhere in the world  
(including at employees' homes) - K£250 (K£60 any one item)
- Policy excess is currently K£2.75.
- 31.39 Schools/Divisions should note that there is a need for the storage of computer data to be held off-site.

### Laptops

- 31.40 All Risks cover is available at a current annual premium of £50.00. You will need to contact the Insurance Officer, ESTAT Finance (Ext. 79878) or [HowellsWRK@Cardiff.ac.uk](mailto:HowellsWRK@Cardiff.ac.uk) with the make, model, serial number, location and cost code to which the premium should be charged for machines which you require covered. The excess is £100.00 per incident.

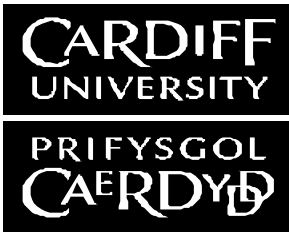
### Incident Notification Form

- 31.41 Please ensure that this form, a sample copy of which is shown in D.32, is completed and returned to ESTAT Finance.

### General

- 31.42 All losses of or damage to equipment, etc., must be reported to the Insurance Officer, ESTAT Finance (Ext. 79878), even though an insurance claim may not be appropriate as the amount involved is below the policy excess.

**D.32 INSURANCE RELATED INCIDENT NOTIFICATION FORM**



**CARDIFF UNIVERSITY  
INSURANCE RELATED INCIDENT  
NOTIFICATION FORM**

*DATE OF INCIDENT:*

*TYPE OF INCIDENT:*

*EXACT LOCATION OF INCIDENT:*

*ESTIMATE OF COSTS INVOLVED:*

*HAVE POLICE BEEN INFORMED?:*

*IF YES, PLEASE GIVE CRIME REFERENCE NO.:*

*HAS UNIVERSITY SECURITY BEEN INFORMED?:*

*SCHOOL/DIVISION FINANCIAL CODE:*

*SCHOOL/DIVISION CONTACT:*

*NAME OF PERSON MAKING REPORT:*

*DATE:*

PLEASE FORWARD COMPLETED FORM TO INSURANCE OFFICER, ESTAT (FINANCE), 30-36 NEWPORT ROAD

For office use only:

(a) above excess

(b) below excess

Claim Form issued

### **D.33 POLICY AND GUIDELINES FOR UNIVERSITY SERVICES AND PRIVATE OUTSIDE WORK BY MEMBERS OF STAFF OF CARDIFF UNIVERSITY**

#### Introduction

- 33.1 Cardiff University's Strategy 2009 - 2014 emphasises that "the impact of our research and education is central to the existence of the University and is supported through our innovation and engagement activities". The University is "committed to carrying out its responsibility to make a major contribution to economic, social and cultural enrichment, both locally and globally". In support of this, the University has developed an Innovation and Engagement strategy which encourages and rewards participation in relevant activities which benefit individuals and organisations outside the academic environment.
- 33.2 In accordance with this strategy, the University encourages members of staff, as appropriate, to undertake work of high quality on behalf of public, industrial, commercial, scientific, educational, cultural and international organisations. Such commissions can be of mutual benefit and are of particular influence in demonstrating the contribution of the University and its staff to the development of communities and regions within Wales, the UK and globally. In addition, such work may enhance research, learning and teaching activities as well as helping to build fruitful partnerships beyond the academic environment.
- 33.3 The premise that underlies these guidelines is that first consideration must always be given to the University's mission, aims and objectives. It is particularly important in pursuing any contractual relationships with external organisations that the University protects its legal position, that the University keeps public trust and maintains institutional independence and integrity to enable academic staff and students to pursue research and learning without undue restrictions.
- 33.4 The University considers it highly desirable that its staff should undertake work under the aegis of the University, whenever possible. Nevertheless, in accordance with custom and practice, Academic Staff (as defined below) may undertake a limited amount of outside work on a totally private basis provided that such work complies with this Policy and the Guidelines.

#### Definitions

- 33.5 For the purposes of this Policy and Guidelines, the following definitions apply:

"Academic Staff" means any employee of Cardiff University at Grade 5 or above which includes Managerial, Professional and Specialist Staff, Teaching, Research, Professorial and Senior Staff;

"University Services" means any consultancy, other services rendered, knowledge exchange and knowledge transfer activity provided by a member or members of staff for organisations outside the University and where all contractual, financial and insurance arrangements are managed under the aegis of the University;

"Private Outside Work" means any work, including private clinical or other professional practice, undertaken by a member of staff on behalf of organisations or individuals outside the University in a private capacity;

"University Resources" means staff, funds, facilities and equipment;

"Specialised University Resources" means laboratory facilities and related services and equipment (but excludes personal computers).

## Principles

- 33.6 The following principles shall apply when University Services and/or Private Outside Work are to be carried out:
- a) The University encourages staff to conduct University Services in preference to Private Outside Work on the basis that services provided under the aegis of the University are aligned with the University's Innovation and Engagement strategy and enable the University more fully to protect its interests, to generate income and to record and report the volume and value of these activities to the Funding Councils, to Government and to the Higher Education Statistics Agency;
  - b) University Services should always require work of a high standard, appropriate to a university institution, and demand the particular knowledge, skills and standing of the staff member(s) undertaking the work;
  - c) University Services should not be undertaken where essentially similar services are available from other, private or public sector suppliers on a routine basis;
  - d) Neither University Services nor Private Outside Work may be carried out without the University's prior knowledge and formal approval. Approval must first be obtained from the Head of School or Directorate. In the case of a Head of School or Directorate, approval must first be obtained from the Vice-Chancellor who may delegate authority and responsibility to, or take advice from, the Deputy Vice-Chancellor or a Pro Vice-Chancellor;
  - e) No specific time limitation is applied to the provision of University Services by members of staff and it will be a matter for the Head of School or Directorate (or Vice-Chancellor) to determine whether the demand on the time of the member(s) of staff is reasonable in the context of other University duties and School or Directorate requirements;
  - f) Additional remuneration may be made to staff undertaking University Services provided such remuneration is in accordance with the University's Financial Regulations and subject to the Head of School's or Directorate's (or Vice-Chancellor's) approval in each case;
  - g) Before undertaking any Private Outside Work, the member of staff must (in addition to seeking and obtaining University approval to undertake the work) provide the University with a formal acknowledgement, signed by the client, confirming that the work is being done in a private capacity and that no liability will attach to the University as a result of the work;
  - h) Private Outside Work must not exceed 25 Working Days per annum. Working Days are Monday to Friday throughout the year but exclude holiday entitlement. For Academic Staff engaged on a part-time contract of employment, this allowance will be pro rata;
  - i) Projects which propose to use any Specialised University Resources cannot be regarded as Private Outside Work. Any intended use of non-specialised University Resources for Private Outside Work must be declared and a charge will be made to the individual concerned for such use in order to avoid any 'benefits-in-kind';
  - j) Private Outside Work must not conflict in any way with the work of the University itself;

- k) The individual carrying out Private Outside Work will be personally responsible for all financial, taxation and insurance issues relating to the work;
- l) Whether providing University Services or undertaking Private Outside Work, the member of staff must immediately disclose to the Head of School or Directorate (or Vice-Chancellor) any actual or potential conflict of interest with the University arising from his/her involvement in the work and/or interaction with the external client in accordance with the University's "Policy on Conflicts of Interest";
- m) Failure to comply with this Policy and the following Guidelines may lead to disciplinary action.

#### Scope and Application of the Policy

- 33.7 The Policy applies in its entirety to all Academic Staff of the University.
- 33.8 University staff on Administrative Support, Operational Services and Technical Services grades 1-4 are excluded from undertaking Private Outside Work. Staff on these grades, however, may seek approval to undertake University Services through their line manager from the Head of School or Directorate and individual requests will be judged on a case-by-case basis. Consent will be dependent on whether the individual's involvement in the proposed University Services work is in the wider interest of the University.
- 33.9 The Policy does not apply to the following categories of activity that may be undertaken by University staff from time to time and whether paid or unpaid:
- (i) Work which is totally unrelated to the employment of the member of staff or any other University activity.
  - (ii) Activities undertaken as the normal spare time activities of a citizen such as those associated with membership of voluntary, political, religious, cultural, trade union or social organisations.
  - (iii) Appointment as External Examiner, as an assessor for a higher degree or the qualification of a professional body, as a member of a committee of a learned society, research council or other government organisation, as editor of a scientific or other scholarly publication or as a holder of an office whose duties involve similar occasional editorial work.
  - (iv) Publishing, reviewing and refereeing articles and manuscripts in or for journals and books.
  - (v) Occasional contributions to the press, radio or television.
  - (vi) Fees for occasional guest lectures. [Note: Any commitment beyond such occasional guest lectures (for example, a series of lectures or a regular arrangement to provide lectures to an external third party) should be formalised through an agreement made between the University and the external organisation, particularly in order to protect intellectual property.]
- 33.10 Exceptional cases of the above categories and any substantive commitments, such as those associated with ongoing public appointments (e.g. election as a member of parliament or to local government or appointment as a Justice of the Peace) must be discussed with the Head of School or Directorate who will inform the Vice-Chancellor.

33.11 In arriving at a decision as to whether a member of staff may become involved in University Services or (for Academic Staff only) Private Outside Work, the following considerations will generally be taken into account by the Head of School or Division and/or Vice-Chancellor (or Provost, as appropriate), together with any further considerations that may be relevant to the particular case:

- (i) The value of the activity to the work of the member of staff, to the School or Division and to the subject of study, and the value of the member of staff's special knowledge as a contribution to society.
- (ii) The benefit to the University of increased staff contact with the professions, with industry and with other organisations outside the academic environment.
- (iii) The extent to which the work is consistent with the contractual duties of the member of staff.
- (iv) Whether the commitment to the work may be detrimental to the member of staff's contracted University work or may add to the burden of colleagues.
- (v) Any actual or potential conflict of interest between the member of staff and/or the outside body for whom the work will be undertaken on the one hand and the University on the other.

33.12 Detailed Guidelines for University Services can be provided by RACDV.

#### Guidelines for University Services

33.13 University Services work, which includes the provision of consultancy advice, other services rendered, knowledge exchange and knowledge transfer activities, should only be undertaken if the proposal requires work of a high standard and demands the particular knowledge, skills and standing of the staff member(s) involved. Where elements of the work are to be sub-contracted to other organisations or individuals, the proportion of the work (by value) to be sub-contracted must normally be less than half of the total contract price.

33.14 University Services may only be undertaken where sufficient time and other resources are available to enable the effective delivery of the project.

33.15 The work must not interfere with the efficient discharge of the staff member's normal duties of teaching, research and/or administration.

33.16 The work should not deprive members of staff of the independence, which should characterise a member of the University's staff.

33.17 The work should not conflict with terms and conditions relating to other consultancy or contract research work undertaken by members of staff. Staff are reminded that obligations relating to secrecy may survive expiry of research contracts by several years, often as many as ten.

33.18 Members of staff wishing to undertake University Services must obtain the prior approval of their Head of School or Directorate. Each case must be notified to the relevant administrative Division as soon as practicable so that the University and its insurers are kept fully informed of the range of activities requiring cover. Proposed consultancies and other services rendered should be notified to the Research and Commercial Division (RACDV) whereas training, short courses and conference activities should be notified to the Finance Division (FINCE).

- 33.19 The demand made on the staff member's time and University Resources must be acceptable to the Head of School or Directorate and, in the case of a Head of School or Directorate, to the Vice-Chancellor.
- 33.20 Staff must ensure that they do not enter into arrangements with clients whereby ill-defined claims are made on their time.
- 33.21 University Services must follow the University Financial Regulations and Procedures for such contracts and should be costed using the appropriate University costing form. (The costing form for consultancy and other services rendered work is available from RACDV and that for training, short courses and conferences from FINCE). A personal payment to staff members, applied as in para D.33.25 below, may constitute a part of the budget for the work.
- 33.22 The full economic cost of the work should be determined in consultation with RACDV (consultancy and other services rendered) or FINCE (training and short courses) using the appropriate University costing form, in line with the University policy for costing and pricing of contracts. The University, in accordance with Funding Council guidelines, must normally recover at least the full economic costs for University Services. Schools should also seek to charge a profit for such work where it is likely that the client will gain substantial commercial advantage from the work undertaken. Where a School seeks to undertake University Services work at less than the full economic cost, a written justification, signed by the Head of School or Directorate, must be provided to RACDV or FINCE (as appropriate) setting out the case for a reduced price to the client. In the event that RACDV or FINCE consider that the case made in support of a reduced price is unlikely to satisfy the terms of HEFCW's Financial Memorandum with the University, the matter will be referred to the Director of Physical and Financial Resources.
- 33.23 In the case of consultancy and other services rendered, a formal quotation for the work, authorised by the Director of RACDV, will normally be issued to the client. The formal quotation incorporates the University's General Conditions of Contract. Upon receipt of the client's written acceptance (or signature by both parties of mutually acceptable, alternative conditions), the work may then proceed. RACDV will issue the appropriate invoices to the client on request from the School or Directorate.
- 33.24 Copies of any reports submitted in connection with University Services must be retained in a secure and retrievable record system within the School (or Directorate). This is a requirement to meet the possibility of litigation against the University at a future date. Such copies should be subject to appropriate security and confidentiality control.
- 33.25 Income from the University Services will be applied to meet the costs of all project staff and other Directly Incurred costs associated with the project. Directly Allocated costs (including Estates costs) and Indirect costs will be charged in accordance with the Full Economic Cost (fEC) methodology and allocated in accordance with the University's policy for their distribution between School and University Costs/Professional Support Services ('UC/PSS'). For University Services, present University policy is to pass to the Schools 80% of the Directly Allocated costs (other than DA staff costs where 100% is returned to Schools) and 80% of the Indirect costs. Subject to recovery of all other costs associated with the University Services project, where the Directly Allocated costs of Academic Staff have also been recovered, the Head of School (or Directorate) has discretion to authorise payment of a fee to the Academic Staff concerned. After all costs of the University Services project have been met, 80% of any surplus will be passed to the School and 20% of the surplus allocated to UC/PSS.

- 33.26 Approved fee payments to the member(s) of staff will normally be made after completion of the University Services contract to the client's satisfaction and after recovery of all monies due to the University from the client. Fee payments to staff will be made through the University payroll after deduction of income tax and employer's National Insurance costs. If requested, the fee may be paid into a University account, without deductions, for the use of the individual provided such use is restricted to furthering his/her research or other appropriate academic activities.
- 33.27 Categories of earnings which are subject to the above conditions may include fees for directorships of University Companies, and professional practice undertaken on behalf of the University.
- 33.28 The University must consider on a case by case basis whether it is able to enter into a contract whereby a member of staff gives expert evidence in a Court of Law, a Public Enquiry or to a Parliamentary Committee. Any member of staff intending to undertake to give such evidence should seek further advice from RACDV's Business Manager in the first instance.
- 33.29 Subject to satisfactory performance of other University duties and available contracted time, a member of staff may spend such time on University Services as is approved by their Head of School or Directorate.
- 33.30 University staff on Administrative Support, Operational Services and Technical Services grades 1-4 may seek approval to undertake University Services through their line manager from the Head of School or Directorate and individual cases will be judged on merit. Consent will be dependent on whether the individual's involvement in the University Services work is in the wider interest of the University.

#### Guidelines for Private Outside Work

- 33.31 Members of Academic Staff (as defined) may undertake Private Outside Work on the basis described in the relevant preceding paragraphs. In each case, permissions to undertake such work must be obtained in writing a reasonable time prior to the commencement of any such work through completion of **Form PW/10: 'Request for Consent to Undertake Private Outside Work'**. A Head of School or Directorate wishing to undertake Private Outside Work must obtain permission from the Vice-Chancellor, who may delegate authority and responsibility (or take advice from) the Deputy Vice-Chancellor or a Pro Vice-Chancellor. The University maintains a central Register of Private Outside Work [in RACDV] using copies of Form PW/10 and other information received from the member of staff (see below).
- 33.32 The demand made on the Academic Staff member's time must be within the overall limit of 25 Working Days per annum and must not interfere with the efficient discharge of the staff member's contractual duties to the University. For a member of Academic Staff engaged on a part-time contract of employment, this limit will be pro rata.
- 33.33 The work should not deprive members of staff of the independence which should characterise a member of the Academic staff of the University.
- 33.34 Staff may only undertake Private Outside Work when sufficient uncommitted time is available to enable them to complete the assignment without interfering in any way with their University responsibilities.
- 33.35 The work should not be such that it is likely to conflict with terms and conditions relating to any University work, which may include consultancy or contract research work. Staff are reminded that obligations relating to secrecy may survive expiry of research contracts by several years, often as many as ten.

- 33.36 When a member of Academic Staff undertaking Private Outside Work wishes to work in his/her University office and to use general University Resources to carry out the work then an appropriate fee will be charged to the member of staff by means of a sales invoice for the use of space, telephones for private calls, copying facilities, secretarial assistance for typing of reports and computer facilities. Advice on the appropriate fee to be charged will be provided to Schools and Divisions by the Director of Physical and Financial Resources. All charges for use of University facilities in a private capacity are subject to VAT.
- 33.37 Specialist University resources, equipment, software and information resources accessed as a result of University employment cannot be used in any Private Outside Work.
- 33.38 Prior to undertaking Private Outside Work, the member of staff must make it clear to the client that the work is carried out in a private capacity and that **no liability will attach to the University for the work**. It is a requirement of the University that the client returns to the University, via the member of staff, a signed copy of a **Disclaimer Letter** before the University will give its approval for the work to proceed. A copy of the letter must be forwarded by the member of staff with Form PW/10 (signed by the Head of School or Directorate) to RACDV and will be held in the central Register of Private Outside Work.
- 33.39 When undertaking Private Outside Work, a member of staff must not use University headed notepaper, title, email accounts or any other medium whereby the name of the University might inadvertently become associated with the Private Outside Work.
- 33.40 While all patentable inventions must be disclosed to the University (under the "University Policy on Intellectual Property Rights"), inventions arising solely from approved Private Outside Work without any use of University Resources need not be assigned to the University (or its patent-holding company, University College Cardiff Consultants Limited, "UC3"). However, **where a member of staff undertaking Private Outside Work is requested to assign or transfer any item or items of intellectual property to a client, the facts must be disclosed to the University**, in writing to the Director of RACDV. It is the responsibility of the member of staff to review carefully all agreements relating to his/her Private Outside Work to ensure that they do not conflict with any obligations of the member of staff under University policies. In particular, a member of staff cannot use University intellectual property (which includes any intellectual property generated from research grants or contracts held in the University) in pursuit of any private activity without appropriate prior written agreement, including (where appropriate) the payment to be made in respect of such use.
- 33.41 The member of staff is responsible for ensuring that full legal and financial responsibility for the activity are accounted for, including all insurance cover that may be required for the work. **Professional indemnity cover is not provided under the University's insurance policy for any Private Outside Work.**
- 33.42 Subject to paragraphs D.33.36 and D.33.40 above and compliance with this Policy and the Guidelines, a member of staff is entitled to all earnings arising from Private Outside Work and the University will have no interest in any rights arising from the activity. Staff are reminded of the need to declare any such earnings to the relevant authorities, including Her Majesty's Revenue & Customs.
- 33.43 In order to obtain a measure of the volume of Private Outside Work being undertaken the Vice-Chancellor or his nominee may require any member of staff to provide a statement of the time devoted to and remuneration received from Private Outside Work in any year.

33.44 Categories of earnings which are subject to the above conditions include fees for directorships of outside companies and private professional practice (including private clinical practice) unconnected with the work of the University. Staff are reminded of the need to disclose any private interests to Human Resources in the appropriate form.

#### Distinction between University Services and Private Outside Work

33.45 The examples shown below are intended for general guidance and are not necessarily mutually exclusive or exhaustive. In the case of opportunities arising, it is highly desirable that projects are undertaken under the aegis of the University. Examples given to illustrate the type of project which might be undertaken as Private Outside Work may also be conducted as University Services.

#### **University Services**

Carried out for a client in the name of the University in the course of employment.

May be carried out on or away from University premises.

May use University, School or Directorate facilities, including specialised equipment.

May make use of University research results, course materials and protected intellectual property rights controlled by the University, subject to contract.

#### **Examples**

A chemical company seeks advice from a chemistry lecturer following publication of the results of a University research programme.

A University spin-out company wishes to engage a professor of medicine to undertake an assessment of its new product.

An engineering company requires use of advanced manufacturing facilities in the University to solve a production problem.

A social scientist is approached to develop and deliver a series of short-courses based on University course materials to a public-sector organisation.

An economist uses University software to analyse data on behalf of a commercial client.

#### **Private Outside Work**

Carried out for a client in the name of the individual member of staff without reference to the University.

May be carried out on or away from University premises, but if on University premises then an appropriate fee will be charged for use of general facilities.

May use non-specialised facilities for which an appropriate fee will be charged.

Makes no use of protectable University research results or course materials (or intellectual property rights therein).

A chemical company seeks advice from a chemistry lecturer on the interpretation of the company's own research data.

A medical devices company wishes to engage a professor of medicine as Chair of its Scientific Advisory Board

An engineering company requests an engineering lecturer to advise on a production problem at its site.

A social scientist is approached to review a public-sector organisation's own course materials.

An economist uses a personal computer to analyse data on behalf of a commercial client.

Disclaimer Letter Template for Use When Staff Undertake Private Outside Work

33.46 (Neither University headed paper, nor title may be used)

**<Insert Your Private Address Here>**

<Insert Client Address Details Here>

Dear .....

Title of Private Outside Work/Position

With reference to our previous discussions and correspondence, I write to confirm that I am undertaking the above-mentioned work entirely in my private capacity and not in the course of my employment with Cardiff University. I would like to emphasize that, in accordance with its established policy in such matters, the University will not accept responsibility for the work I do or the advice I give in connection with it. In approving the commitment, the University does not extend any indemnity, warranty or insurance to you or to the members of University staff named above for this undertaking.

Please sign and return one copy of this letter which I am required to submit to the University authorities before commencing this work.

Yours sincerely

I hereby acknowledge and agree that the above-mentioned work will be provided on the basis set out above, and that you will provide a copy of this acknowledgement to the authorities of Cardiff University. I acknowledge that the University will not permit you to undertake the above-mentioned work if it does not have this acknowledgement by me.

Signed  
(Authorised Representative of the Client)

Date: / /

## Form PW/10

33.47 **REQUEST FOR CONSENT TO UNDERTAKE PRIVATE OUTSIDE WORK**

1. NAME

2. SCHOOL

## 3. CLIENT DETAILS

Name: _____	Contact: _____
Address: _____	Position: _____
_____	Tel: _____
_____	Email: _____

## 4. DESCRIPTION OF PRIVATE OUTSIDE WORK

5. PROPOSED START DATE: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

6. COMPLETION DATE: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

7. TIME REQUIRED (Days)

8. TOTAL FEES (£)

9. TOTAL NUMBER OF DAYS PRIVATE WORK UNDERTAKEN DURING THIS YEAR (1 August - 31 July) **PRIOR TO THIS PROPOSED ASSIGNMENT:**10. TOTAL NUMBER OF DAYS PRIVATE WORK UNDERTAKEN DURING THIS YEAR (1 August - 31 July) **INCLUDING THIS PROPOSED ASSIGNMENT:**

## 11. OTHER INFORMATION

(a) Did the opportunity for this Private Work arise as a direct result of your employment at Cardiff University or as a result of any activity of Cardiff University (e.g. conference presentation, training course, School brochure, University web-site, Innovation Network etc.)? YES  NO

(b) Will the work require use of any academic journals, University/School resources or intellectual property (IPR)? YES  NO

If YES, please give details of resources and/or IPR:

I confirm that the details provided above are accurate and undertake to notify my Head of School in writing of any changes that arise in the course of the Private Work. I acknowledge that approval, if given, is subject to this undertaking on my part.

Signed:

\_\_\_\_\_  
Member of Staff

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Initial Approval:

\_\_\_\_\_  
Head of School (or Vice-Chancellor in the case of the member of staff being a Head of School)

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

University Approval:

\_\_\_\_\_  
Director, RACDV (on behalf of Vice-Chancellor)

Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Form PW/10 (Continued)**CONSENT TO UNDERTAKE PRIVATE OUTSIDE WORK - GUIDANCE NOTES****1. General**

The purpose of Form PW/10 is to enable staff to comply with Cardiff University's '*Policy and Guidelines for University Services and Private Outside Work by Members of Staff of Cardiff University*'. These Guidance Notes do not replace the detailed requirements set out in the Policy and Guidelines but provide a member of Academic Staff with a brief guide to completing Form PW/10.

**2. Activities Outside the Scope of the University Policy on Private Outside Work**

Before completing Form PW/10, you should check if the activity to be undertaken falls within or outside the scope of the University's Policy. Examples of exempt activities are provided in Section 4.3 of the Policy and Guidelines. If outside the scope of the Policy, you must still advise your Head of School or Division of the proposed activity but completion of Form PW/10 is not required.

**3. Prior Consent of Head of School, Head of Division or Vice-Chancellor**

Where the proposed activity falls within the University's Policy and Guidelines for Private Outside Work, then this Form PW/10 must be completed by you in good time prior to the proposed commencement date of the work and approved by your Head of School or Division (or by the Vice-Chancellor if you are a Head of School). In approving this request the Head of School or Division (or Vice-Chancellor) will consider the nature of the work to be undertaken, the demands on your time and that of your colleagues and any potential conflicts with past, present or planned work of the University. Following this consideration, the signed Form PW/10 will be returned to you by the Head of School/Division (or Vice-Chancellor where appropriate). Note that this consent at this stage does not equate to University approval of the Request to Undertake Private Outside Work. You should neither begin the work nor give any commitment to the proposed client until full approval has been granted.

**4. Disclaimer Letter (see Appendix 2 of the Policy and Guidelines)**

When initial consent to undertake the Private Outside Work is granted, and provided that the assignment in question does not make the aggregate number of days of Private Outside Work in the relevant year (1st August - 31st July) exceed 25 days, you should then proceed to issue a *Disclaimer Letter* to the client. The purpose of the Disclaimer Letter is to advise the client that the proposed work would be undertaken in a private capacity and that Cardiff University will accept no liability for this work. A model Disclaimer Letter is provided at Appendix 2 of the Policy and Guidelines. University headed paper must not be used for this Disclaimer Letter and your private address should be used in all communication with the client. When the countersigned Disclaimer Letter is returned by the client, it should be submitted with the completed Form PW/10 to RACDV's Business Manager for checking and formal approval by the Director of RACDV on the University's behalf.

**5. University Approval**

On receipt of the completed Form PW/10 and Disclaimer Letter, RACDV will, on behalf of the University, review the nature of the undertaking, including checking that the total number of days of Private Outside Work in the relevant year does not exceed 25 days. In the event of any discrepancy, approval for the work will not be given and the matter will be referred back to your Head of School. The option of undertaking the assignment as University Services may be reviewed in these circumstances. RACDV will consider any proposed use of University facilities/IPR and, in consultation with FINCE, determine an appropriate charge for these. After satisfactory completion of these checks, RACDV will arrange for Form PW/10 to be countersigned, thereby approving the request on behalf of the University. The details of the work will be recorded in the University's Register of Private Outside Work. The original of the approved Form PW/10 will be returned to you and, at this time, you may then proceed with the work for the client.

**6. Amendments to the Assignment**

If after approval and commencement of the assignment there is any subsequent change proposed by the client (or anticipated by you) in the work to be undertaken (e.g. duration, fee received, use of University facilities etc), you must refer the matter promptly to your Head of School/Division who will liaise with RACDV and, where appropriate, approve such amendment.

**7. Further Private Outside Work**

A separate Form PW/10 should be completed in respect of each further assignment for the same or any other client.

**D.34 VALUE ADDED TAX, IMPORT DUTY AND INTRASTAT**Background – VAT

34.1 VAT is a broadly based tax on general consumer expenditure and is charged upon most supplies of goods, services and imports made in the course of business by taxable persons. A taxable person can be either a business or individual that is registered for VAT. The basic feature of the tax is that a taxable person must charge tax at the rate applicable on supplies unless they are subject to specific reliefs contained in the law.

34.2 There are three rates of VAT in the UK currently:

NAME	VAT %	Example of Use
STANDARD	20	Hotels, office furniture, equipment for teaching, catering services (external), stationery, cleaning materials
REDUCED	5	Electricity and gas supplied to University Halls of Residences
ZERO	0	Books, Journals, newspapers, public transport and some qualifying equipment (See section D.34.12 below)

There are also activities that are EXEMPT from VAT and VAT will not be charged on invoices for these (such as teaching, short courses and conferences and research for eligible bodies). Other activities may be deemed outside the scope of VAT. Any queries relating to the correct VAT treatment of activities should be forwarded by email to [vat@cardiff.ac.uk](mailto:vat@cardiff.ac.uk) or by telephoning Louise Dunbar (Ext. 76400) for advice.

34.3 Supplies of education training and research provided by Universities may be exempted under item 1 of Group 6 of Schedule 9 of the Value Added Tax Act 1994. Supplies which are considered closely related to teaching and research e.g. the provision of catering outlets for student use and student accommodation at Halls of Residence are exempt, but other supplies such as staff catering, all bars, and vacation lettings at Halls are taxable. As a result, the University is, therefore, registered for VAT and its VAT Registration No is GB 615 8609 27.

34.4 Cardiff University is classed by HMRC as an ‘eligible body’ for VAT purposes. All supplies of education and vocational training made by eligible bodies are exempt from VAT. Other bodies that are eligible to exempt supplies of education are listed in Note 1 to Group 6 and are as follows:

- a) All state and independent schools within the meaning of the Education Act 1996 and related acts for Scotland and Northern Ireland;
- b) UK Universities and colleges;
- c) Further and Higher Education institutions within the meaning of the Further and Higher Education Act 1992;
- d) Public Bodies including local authorities, government departments, health authorities, NHS trusts and other bodies acting under any enactment for public purposes (and not for its own profit) to perform functions similar to those of a government department or local authority;
- e) Non-profit making bodies including charities, which are precluded from distributing and to not distribute any profits they made, and apply such profits to the continuance or improvement of supplies of exempt education;

- f) Bodies that provide teaching of English as a foreign language.
- 34.5 Charges involving the supply of goods or services of a trading nature may have VAT implications and Heads of School/Directors **should** consult with FINCE to establish whether prospective charges are subject to VAT.
- 34.6 Any liability arising from the failure of Schools/Directorates to account correctly for VAT on income will be recharged to the School(s)/Directorate(s) concerned.
- 34.7 The following 6 categories of educational services and goods are exempt from VAT. The **categories 1, 3, 5 and 6 are restricted to eligible bodies**, whilst the remainder are exempt when supplied by any party.
1. Education, research (to an eligible body) and vocational training services supplied by an eligible body;
  2. Private tuition in a subject ordinarily taught in a school or university by an individual teacher acting independently of an employer;
  3. The provision of examination services by an eligible body including the setting and marking of examinations, the setting of educational or training standards, the marking of assessments and other services provided with a view to ensuring that standards are maintained;
  4. The provision of examination services by any party, to an eligible body or to a person who is receiving supplies of exempt education or vocational training;
  5. Goods and services provided by an eligible body that are closely related to the supply of exempt education that falls within category 1 above, provided that the supplies are for the direct use of the students receiving the education;
  6. The provision of vocational training and goods that are essential, thereto, to the extent that the fees for the training are ultimately a charge to funds provided under the Employment and Training Act 1973.
- 34.8 The law that provides exemption from VAT for education and research included a number of words and phrases that are not defined and can be interpreted in accordance with the natural meaning, some examples of which are as follows:

‘Education’ means any course of instruction or study taking place over any period of time, which is intended to further the knowledge and/or skills of the recipients. Education can be delivered in the form of lectures, seminars, conferences, symposia, and holiday courses and by indirect means to provide distance learning.

‘Research’ means an original investigation undertaken to gain knowledge or understanding. The collection of data above does not amount to research and it is the analysis of such data where the research element lies.

‘Closely related’ means goods and services that in themselves do not amount to ‘education’ but are for the direct use of the student and are a necessary part of the delivery of the education. Closely related supplies include classroom materials, accommodation, catering, transport and field trips.

‘Vocational training’ means the provision of training, re-training and work experience in connection with employment or future employment. Vocational training can be delivered by courses, lectures, seminars, workshops or practical instruction.

### Recording of VAT – Purchases

- 34.9 The University is classed as a partially exempt institution and is therefore unable to reclaim all input tax on purchases. However, HMRC require that we are able to record the amount of input tax we incur. Refer to the Finance website for advice on Oracle procedures when purchasing at [www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/](http://www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/). Any queries should be raised with Louise Dunbar (Ext. 76400) [DunbarLA@cardiff.ac.uk](mailto:DunbarLA@cardiff.ac.uk).

### Recording of VAT – Sales

- 34.10 Teaching income, including short courses and most conference income, is exempt from VAT and VAT will not be levied when sales invoices are raised for clients and customers. Services Rendered income is vatable at standard rate, together with Research contracts depending on the Sponsor/client. Queries on the VAT rate of income sources should be raised with Louise Dunbar (Ext. 76400) [DunbarLA@cardiff.ac.uk](mailto:DunbarLA@cardiff.ac.uk) before entering into a contract for services or requesting sales invoices.
- 34.11 Schools or Divisions issuing sales invoices to a customer based in another European country must ensure they collect the VAT registration of that business and include this on the Sales Invoice Request form to comply with HMRC regulations. Further information can be found in the “Invoicing the EU” document on the Finance website [www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/](http://www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/)

### Goods or Services – Zero Rated

- 34.12 Under Group 15, Schedule 8 of the VAT Act 1994 certain goods and services can be zero-rated when purchased for a qualifying use and funded by charitable or donated funds. (HMRC Notice 701/6)

(a) Equipment

Certain equipment when purchased or hired mainly for medical or veterinary research, training, diagnosis or treatment within the following headings is eligible for zero-rating. Please refer to HMRC Notice 701/6 on charity funded equipment see [www.hmrc.gov.uk/charities/vat/charity-funded.html/](http://www.hmrc.gov.uk/charities/vat/charity-funded.html/)

- Medical Equipment
  - Scientific Equipment
  - Computer Equipment
  - Video Equipment
  - Sterilising Equipment
  - Laboratory Equipment
  - Refrigeration Equipment
- (b) Parts or accessories for eligible equipment can be zero-rated.
- (c) Repairs and maintenance for eligible equipment can be zero-rated.

Copies of the certificates can be found on [www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/](http://www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/)

### Substances used for testing in medical research

- 34.13 The purchase of substances directly used for testing or mixing with other substances in the course of medical or veterinary research can be zero-rated.
- 34.14 A “Substance” can be natural or artificial and can be in solid or liquid form or in the form of a gas or vapour. If the substance is purchased in the form of gas the zero-rating will also apply to the cylinder rental. For further information and a copy of the Reagents zero-rated certificate please refer to [www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/](http://www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/)

### Advertising

- 34.15 The relief covers all types of advertisements on any subjects, including **staff recruitment** placed in someone else’s time and space. The name or logo of the University does not need to be included for the relief to be allowed. However Charities are expected to only place advertisements, which comply with their charitable objects. For further information and a copy of the Charity Advertising zero-rated certificate please refer to [www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/](http://www.cardiff.ac.uk/fince/servicesstaff/corporatefinancialservices/vat/index.html/)

### VAT relief for disabled people

- 34.16 Under Group 12, Schedule 8 of Vat Act 1994 certain purchases and construction work, if made for the personal or domestic use by a disabled person or persons may be zero-rated. There are certain constraints however, and you should contact Louise Dunbar (Ext. 76400) before making potentially qualifying purchases in order to clarify the situation. (HMRC Notice 701/7)

### Purchasing Goods or Services from Other EU Countries and INTRASTAT (HMRC Notice 60)

- 34.17 If you are purchasing goods or services from other EU countries, you should state the University’s VAT registration number (GB 615 8609 27) on your order to enable the supplier to issue an invoice excluding VAT. If the goods or services would be standard rate if purchased in UK, the University is liable to account for the VAT.

A copy of all invoices relating to EU purchases should be sent to FINCE, marked for the attention of Judi Grey (Ext. 70029), indicating on the invoice whether the items are zero-rated or standard rate. All standard rate invoices require a budget code to which the VAT can be charged. (HMRC Notice 725)

- 34.18 If you are importing computer software, read HMRC Notice 702/4 *Importing computer software*; if the software is “custom made”, you should also read HMRC Notice 741 VAT: *Place of Supply of Services*.
- 34.19 In order to comply with HMRC statutory requirements, it is important that a copy of the delivery note, order and invoice for EU purchases of goods is forwarded to Judi Grey (Ext. 70029) as soon as the order is raised, to ensure all movement of goods are included in the monthly INTRASTAT return.

### Import Duty

- 34.20 Goods imported into the UK from outside the EU are generally subject to import duty and VAT. If you are purchasing goods or services, which could be zero-rated if purchased in the UK, then you should not pay VAT on importation. Ensure you instruct your supplier to mark the outside of the package with your zero-rate declaration. In certain cases it is possible to obtain relief from duty and VAT provided that the appropriate forms have been completed. Please consult the business link website at

<http://www.businesslink.gov.uk/bdotg/action/home>. Specific advice may be sought from PURCH.

- 34.21 If you are importing or exporting goods on a temporary basis (eg for repair) relief from duty or VAT may be available. It is important to be aware of the necessary procedures before the goods are moved. For further information see the business link above or contact PURCH.

**D.35 PROCEDURES FOR MONITORING AND REPORTING RESULTS OF BAR EVALUATIONS**Stocktaking & Stock Summary Sheet

- 35.1 Monthly independent stocktakes are carried out at each Bar. A Stock Summary Sheet is issued by stocktaking company. The Stock Summary Sheet is reviewed, on receipt, by CSERV Finance Officer and General Manager Bars & Social Centre and/or Bar Manager.

Bar Evaluation Tolerance Threshold

- 35.2 The Bar Evaluation Tolerance Threshold is set at 1% of total sales, in agreement with independent stocktakers.
- 35.3 In line with the Bar Evaluation Tolerance Threshold, 1% deficits or surpluses are allowed to be offset against back-to-back months to enable stocktake errors to be self correcting.
- 35.4 Where a deficit or surplus above the agreed 1% Bar Evaluation Tolerance Threshold is still in evidence after offsetting, the matter should be referred to CSERV Finance Manager.
- 35.5 Deficits or surpluses which can not be duly accounted for, should be drawn to the attention of the DPFRR or nominee, so that appropriate action can be taken.

**D.36 CASH COLLECTION AND BANKING PROCEDURES - CATERING, BAR AND SHOP OUTLETS**

Tills

- 36.1 Price tariffs of services/facilities should be displayed at the till point wherever practicable. Similarly, the till display must be clearly visible to the customer at all times.
- 36.2 All tills must be operated by trained members of staff.
- 36.3 Staff using the till must be easily identifiable by reference to a unique clerk/key number.

Floats

- 36.4 Each till will have a 'float' to start the days trading. Before any Unit opens for business the 'float' must be counted and confirmed as correct. Any discrepancy must be documented and reported to the Manager/Supervisor immediately.
- 36.5 The level of float must be agreed with FINCE. Any increases/decreases to the level of cash float must be formally agreed in writing by the Assistant Director (Management Accounting Services) (Ext. 74395).
- 36.6 Under no circumstances must the float be used to 'reconcile' the till contents (i.e. make good any shortfalls or averages attributed to takings).
- 36.7 Till floats must always be kept securely in the safe when not in use.
- 36.8 Cash floats must be reconciled daily and recorded in a Float Book.
- 36.9 The trained member of staff operating the till is held personally responsible for the float and all takings during that session of trading.
- 36.10 The trained member of staff operating the till for the session must check that the time and date are registering correctly onto the till rolls.
- 36.11 The till operator must ensure that the correct charge and a till receipt is given out to each customer. The till operator must always be required to enter a sales transaction via the till.
- 36.12 The till drawer must only be opened to collect cash tendered and to give change. Till drawers must be closed after the completion of each transaction.
- 36.13 Personal cheques must not be exchanged for cash from the till.
- 36.14 IOUs must never be accepted.
- 36.15 All till rolls must be consecutively numbered, signed at the end of a trading session by the person in charge, and kept safely for regular inspection. The till audit roll will be retained in the till until a replacement till audit roll is required.
- 36.16 The till must be programmed to:
  - (a) identify and cost services sold using Price Look Up ("PLU") facilities;
  - (b) record the type of payment (e.g. cash, cheque, etc.);

- (c) show the correct date and time;
- (d) record the identity of the operative processing the transaction;
- (e) allow appropriate training.

### Till Mistakes/Errors

36.17 The following transactions must only be 'voided' by the designated supervisor:

- (a) transactions erroneously input by pressing the wrong PLU key;
- (b) items that have been input into the till too many times (i.e. over-rings);
- (c) any errors that will lead to the misrepresentation of the takings;
- (d) customer walking off/not having enough money; and
- (e) system error.

36.18 All transactions requiring 'voids' must be corrected as follows:

- (a) the 'void' receipt must be signed by the till operator, and a reason for the error written on the receipt;
- (b) the correcting transaction number must be written on the 'void' receipt;
- (c) the audit till roll must be marked to highlight the void transaction;
- (d) the till operator must call the designated supervisor to action the void, wherever possible, within five transactions;
- (e) the designated supervisor must void the transaction and sign the 'void' receipt;
- (f) the designated supervisor must sign the audit till roll and ensure that the correcting transaction has been appropriately actioned.

36.19 Where it is not possible for a designated supervisor to action a 'void' during trading an explanation of the discrepancy must be recorded in an 'Errors Book' so that the anomaly can be corrected prior to the taking of a 'Z' read.

### Refunds

36.20 All refunds should be given at the point of sale so that daily sales figures are recorded accurately. All refunds must be issued under dual control and the sales refund document signed by both members of staff concerned.

36.21 The designated supervisor must be the only member of staff who has access to till facilities that enable Voids; Refunds; No Sales; and Training to be utilised. This should be the only member of staff allowed to programme the till.

36.22 The member of staff must examine the item to be refunded and assess if there is a justifiable reason why cash should be reimbursed. If there is any doubt as to whether or not cash should be refunded, the matter must be referred to the School/Division's designated senior officer.

- 36.23 All returned items should be held separately from other stock items so that they can be inspected by a senior manager to determine if they can be resold.
- 36.24 Wherever practical, an original receipt should be requested from the customer to support the original purchase.
- 36.25 Details of all refunds should be recorded upon the Refunds Register.
- 36.26 The refund must be entered via the till where this facility has been provided. The transaction must be highlighted upon the audit till roll.
- 36.27 If the till is unable to account for refunds, the supervisor must make a manual adjustment when reconciling cash held to the 'Z' reading.

#### Voids

- 36.28 Voids and error corrected transactions should be reviewed by the member of staff nominated by the relevant Head of School/Director weekly to ensure that they have been completed correctly and are reasonable.

#### Till Spot Checks

- 36.29 Till spot checks should be undertaken on a random basis by the member of staff nominated by the relevant Head of School/Director. Any errors should be investigated and formally recorded. Any unaccounted anomalies plus or minus £2 must be drawn to the attention of the Assistant Director (Management Accounting Services) (Ext. 74395).

#### Till, Safe and Strong Box Keys

- 36.30 A list must be maintained of nominated key holders so that access to such secure environments can be appropriately controlled.
- 36.31 Wherever possible, a key cabinet must be provided for the safe keeping of keys. Access to the key cabinet must be restricted to the designated supervisor or his/her nominee i.e. till operators should not normally be permitted access.
- 36.32 All keys must be locked away at the close of trading.
- 36.33 Key checks must be completed at regular intervals by the designated senior officer. Evidence of checks, signed and dated, must be held on file.
- 36.34 Heads of School/Director must ensure that keys are returned by staff upon their transfer or termination of employment. Safe and alarm combinations must also be changed.

#### Security of Cash and Till

- 36.35 Cash float and takings must be held in a safe overnight.
- 36.36 Access to the safe must be duly restricted.
- 36.37 Tills containing cash should not normally be left unattended. If they are required to be left unattended - the till key must be removed, so that unauthorised users/customers can not gain access.
- 36.38 Till floats must be removed from the till at the close of trading.

- 36.39 The till drawer must be left open at the end of trading. This will lessen any damage that an intruder may cause when trying to free the drawer open.

#### Banking Monies

- 36.40 The Bank 'Paying-in' slip is completed (in triplicate) clearly showing the name of the Unit. A list of cheques included in the banking must be prepared showing name of payer; cheque number; and amount. This list must be retained.
- 36.41 The Analysis Sheet number, to which the takings refer, must be written on the front of the 'Paying-in' slip.
- 36.42 Two copies of the 'Paying-in' slip should be placed in the Securicor Cash Collection Bag with the takings and the Cash Collection Bag placed in the safe awaiting collection.
- 36.43 Where cash is collected for paying in to the Bank, the signature of the security staff collecting the cash must be checked at each cash collection.
- 36.44 A tear-off section of the Securicor Collection Bag, showing a unique bag number, should also be attached to the top (white) copy of the Analysis Sheet, along with the till reading, and returned to CSERV Finance Office.

#### Frequency of Bankings

- 36.45 Bankings of cash must be completed at least weekly to the Bank and daily to the Cash Office for cheques.
- 36.46 The frequency of bankings must be determined in consultation with FINCE and must reflect the amount of income generated by the School/Directorate.
- 36.47 The failure of a School/Director to deposit income at agreed intervals will be queried by the Policy and Resources Committee and, where appropriate, reported to the Audit Committee.
- 36.48 Prescribed cash holding limits for the School/Directorate must be observed, and any requests to increase this threshold must be brought to the University's Insurance Officer.

#### Records

- 36.49 All duplicate copies of Analysis Sheets and 'Paying-in' slips together with till rolls must be kept at each Unit, in a secure location, for inspection.

#### Transportation of Cash (Where not via Securicor)

- 36.50 The transportation of takings to the Cash Office or Bank must be sufficiently secure.
- 36.51 Two members of staff must always be involved in the transportation of cash.
- 36.52 An official acknowledgement must be obtained to verify that cash has been duly paid into the Cash Office or Bank. Official confirmation must not be obtained retrospectively (i.e. receipts/date stampings must be received as and when takings are exchanged).
- 36.53 Cash Office or Bank receipt numbers must be noted upon the Cashing-up Sheet, and the bank paying-in book must be stored in a secure environment.

Reconciliation of Takings

- 36.54 At the end of each days trading the tills must be totalled by obtaining a 'Z' reading and reconciling the reading with the daily takings.
- 36.55 All money from the tills must be counted at least twice and if these two amounts differ, recounted until the same amount has been arrived at on two consecutive occasions, or failing this cross checked by another member of staff.
- 36.56 Any discrepancy between cash and the 'Z' reading must be recorded upon the Cashing-up Sheet and investigated by the designated supervisor.
- 36.57 The 'Z' read must be attached to the back of the Cashing-up Sheet.
- 36.58 All unaccounted anomalies of plus or minus £2 must be immediately drawn to the attention of the designated senior officer so that appropriate action can be taken.
- 36.59 The 'Z' read count number must also be recorded on the Cashing-up Sheet and compared to the previous day's count to ensure that the numbers are sequential. Any discrepancies must be recorded and reported to the designated senior officer so that they can be investigated.
- 36.60 Instances of Voids/Refunds must be checked (i.e. verify that the amount of void receipts/refunds can be reconciled to the amount stated in the 'Z' read). Any discrepancies must be recorded and brought to the attention of the designated senior officer. 'No Sales' must be verified (i.e. that the amount of 'no sales' receipts can be reconciled to the amount stated on the 'Z' read). Any discrepancies must be recorded and drawn to the attention of the designated senior officer.
- 36.61 The takings for the day must then be entered onto an Analysis Sheet from the Analysis of Takings Book. Analysis Sheets are sequentially numbered, triplicate part documents. One Analysis Sheet must be completed for every Unit each day.
- 36.62 The completed Analysis Sheet should clearly show:
- the name of the Unit;
  - the location code to be credited - Income Codes;
  - date of trading;
  - date of banking;
  - total till sales (from 'Z' read);
  - till roll number (from 'Z' read);
  - total takings held;
  - signature of paying officer;
  - amount of 'under' or 'over-banking'.
- 36.63 The till roll total(s) for the day must be stapled to the top (white) copy of the Analysis Sheet which is sent to CSERV Finance Office (where the Unit is part of CSERV).
- 36.64 Any 'under' or 'over-banking' must be clearly marked on the Analysis Sheets, and if the discrepancy is plus or minus £2 an explanation for the variance must be provided by the Manager/Supervisor.
- 36.65 The second (blue) copy is also sent (where appropriate) to CSERV Finance, or to the Unit Manager where applicable.
- 36.66 The third (pink) copy remains in the Analysis of Takings Book.

- 36.67 The levels of banking included upon monthly budget holder statements must be independently reconciled to 'Z' readings and other primary income records at least monthly by a senior officer. Till operators and the designated supervisor must be precluded from carrying out such reconciliations.
- 36.68 Independent reconciliations by the designated senior officer must be formally evidenced.
- 36.69 Any discrepancies discovered during the independent reconciliation must be brought to the attention of the Assistant Director (Management Accounting Services Ext. 74395).

Adequate Cover

- 36.70 The above procedures should also be adhered to when key individuals involved in the collection, banking and reconciliation of School/Directorate income are absent from work. It is therefore incumbent upon the Head of School/Directorate to ensure that suitably trained personnel have been nominated to deputise for such staff, and that adequate segregation of duties is maintained.

### **D.37 SELF FINANCING SHORT COURSES AND CONFERENCES**

- 37.1 Any self-financing short course or conference should be allocated a unique nominal code following completion of the costing form (SCCF). This ensures the activity has the approval of the Head of School and should be completed prior to the event taking place. The form is available from the Finance Division website or from Lyndon Payne, FINCE (Ext. 79250) [PayneL@Cardiff.ac.uk](mailto:PayneL@Cardiff.ac.uk).
- 37.2 Gross payroll costs (pay, pensions, NI) must be accounted for all staff involved in the activity regardless of their grade. The payroll costs of staff must be included on the costing form even if involvement is outside normal working hours to ensure full economic cost of the event is stated within the cost estimate.
- 37.3 Fee payments to staff (equivalent to the direct payroll costs included in the estimate less employer's N.I. costs) may be made through the payroll only when break-even has been achieved. If requested, the fee may be transferred into a School account, without deduction, for the use by the individual in the furtherance of their research or other academic activities.
- 37.4 Indirect costs are calculated as a percentage of the gross payroll costs. The percentage varies by School, details available on the costing form SCCF. Should the event be held away from the University campus, the minimum rate of 75% can be used. The indirect costs will be charged to the event and credited to the School as overheads, subject to a 20% central top-slice. Any surplus made will also be subject to a 20% top slice for central funds. Disbursement of overheads within the School is at the discretion of the Head of School.
- 37.5 Self-financing conference and other events should normally recover full costs, unless a clear justification authorised by the Head of School is attached to the form. Any surplus made will be subject to 20% top slice.
- 37.6 Invoice requests for delegate fees, if required, should be forwarded to the Cash Office. No VAT is levied on fees for short courses or conferences. The University bank account information may be displayed on literature advertising the self-financing event ONLY after a nominal code has been allocated by FINCE. This code must be used as a reference for all correspondence, particularly for income transfers.

## **D.38 CONSTITUTIONAL, SECURITY AND LEGAL ISSUES**

### Business Plans

- 38.1 It is the duty of the Council to refer to the Senate any matter coming before the Council which has academic implications, unless that matter has been previously considered by the Senate. It is essential therefore that this sequence is retained when Committees are asked to act under powers delegated either by the Council or by the Senate.
- 38.2 It is essential also that 'business plans' accord with the University's overall Strategic Plan, its objectives and the academic plans of the Schools that propose them.
- 38.3 In order to ensure that these two pre-requisite conditions are met, Heads of School wishing to put into the system proposals for self funding activities or similar developments are asked as a first step to discuss them with the Planning Division.
- 38.4 The Planning staff will advise (a) on the appropriate sequence of committee approvals that should be sought and (b) on sources within the administration of specialist advice upon the preparation of business plans. At the same time they will ensure on behalf of the University as a whole that the proposed developments are in line with approved institutional plans. The Director of Physical and Financial Resources will advise on financial plans in liaison with the Planning Division.
- 38.5 In the case of a 'business plan' relating to a commercial activity to be undertaken through a separate legal entity, such as a spin-out company, the matter shall be dealt with as specified in the Policy for University Companies and Commercial Enterprises.

### University Seal

- 38.6 When the Council, or any person or body of persons authorised by the Council, generally or in respect of a particular transaction, has determined to seal a document with the common seal of the University, the document shall be so sealed by or at the direction of the Director of Registry, Governance and Students (DREGOS).
- (i) When the document has been sealed, it shall be signed by the DREGOS or by some other person at the direction of the DREGOS and by one member of the Council under the following form of words:
- "Given under the Common Seal of the University of Wales, Cardiff, and authenticated by ....." (Here insert the names of the signatories).
- (ii) The signatories under sub-section (i) above by their signatures confirm the authenticity of the seal and that they have seen the authority of the Council for the sealing.
- 38.7 Except in the case of a document sealed at a meeting of the Council, every use of the Common Seal shall be reported by the DREGOS to the next meeting of the Council.
- 38.8 The Common Seal shall remain in the custody of the DREGOS or such other person as the Council may direct, and the DREGOS or that person shall maintain a register of documents sealed.
- 38.9 The University Seal shall be affixed to such contracts as have been approved by the Council or its committees.

- 38.10 The DREGOS is authorised to seal agreements, including leases or conveyances not exceeding in value £5,000, and share transactions, subject to the obligation to report thereon to the next meeting of Council, and otherwise subject to the procedure for authentication provided above.
- 38.11 Provided the requirements for Tendering Procedures have been followed the DREGOS is authorised to seal all contracts for the Building Works subject to the obligation to report thereon to the next meeting of Council, and otherwise subject to the procedure for authentication provided above. All building contracts in excess of K£50, subject to confirmation of the authorisation by the DPFR and the Deputy Director of Finance, shall be sealed - a record of which shall be made in the University Seal Book.

#### Signing of Official Documents

- 38.12 The Vice-Chancellor, as the chief academic and executive officer of the University, is authorised to sign official documents on behalf of the University enabling the University to enter into contracts with outside bodies. The Vice-Chancellor will approve delegation to other senior officers as appropriate.
- 38.13 Where other staff have been delegated to sign University or School documents, in whatever form, then they have been approved to act as the representative of the University in such areas.

#### Control, Custody and Security of Documents

- 38.14 The DREGOS is responsible for the keeping of a register of all official and legal documents relating to the University's activities and their physical location. Signed copies of leases, agreements, contracts, etc., relating to estates matters should be passed to the DREGOS in the first instance. Some documents will, however, be lodged with the Estates Division for safekeeping.
- 38.15 Queries regarding the safekeeping of documents should be referred to the DREGOS in the first instance. Documents will only be released to authorised members of the University and a receipt must be signed by the borrower who will be responsible for its care and safekeeping until its return.

#### Legal Costs

- 38.16 The University will only institute legal actions (other than routine actions for debt-chasing, etc.) after giving full consideration to the potential costs and benefits to the University, based on legal advice. These must be referred to the Vice-Chancellor, who will discuss potential costs and benefits, in the light of legal advice, with the Chair of Council before any decision to proceed is taken. Where there is a significant potential financial liability to the University, Policy and Resources Committee must give approval before the University proceeds with the action.

### **D.39 TREASURY MANAGEMENT POLICY STATEMENT AND PRACTICES**

#### Treasury Management

- 39.1 Cardiff University has adopted the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) 2001, as described in Section 4 of that code.
- 39.2 Accordingly, it will create and maintain, as the cornerstones for effective treasury management:
- a treasury management policy statement, stating the policies and objectives of its treasury management activities;
  - suitable treasury management practices (TMPs) setting out the manner in which the University will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.
- 39.3 The content of the policy statement and TMPs will follow recommendations contained in sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the University but without materially deviating from the Code's key recommendations.
- 39.4 The P&RC/Finance Group will receive appropriate reports on treasury management policies, practices and activities.
- 39.5 The Council of the University delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the P&RC, and for the execution and administration of treasury management decisions to the DPFR, who will act in accordance with the organisation's policy statement and TMPs, and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

#### Treasury Management Policy Statement

- 39.6 The University has adopted the following definition of treasury management:
- “The management of its cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
- 39.7 The University regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the University.
- 39.8 The University acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.