

# Financial Regulations

**Adopted and approved on 28 May 2012  
by the Council after consultation with the Finance Committee  
Distributed by the Director of Finance to all Heads of Department**

*Version 1.8 effective from 1 October 2024*



## Version History

Version	Effective date	Detail	Authority	Distributed
1.0		Financial Regulations 2012	Adopted and approved on the 28 May 2012 by the Council after consultation with the Finance Committee	By the Director of Finance to all Heads of Department
1.1	1 Jan 2016	Schedule 1: revised thresholds for EU Tenders managed through Procurement Services	Public Contracts Regulations 2015	
1.2	1 Jan 2018	Schedule 1: revised thresholds for EU Tenders managed through Procurement Services	Public Contracts Regulations 2015	
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-	-	Reflected changes to UAS division names, cessation of HEFCE etc	Amended following the approval of Graces 1 of 31 March 2021	
1.4	1 Jan 2022	Schedule 1: revised thresholds for EU Tenders managed through Procurement Services	Public Contracts Regulations 2015	
1.5	1 Jul 2022	Reg 31.3: the rules for expense reimbursements are set out in the Financial Procedures Manual	Adopted and approved 25 May 2022 by the Council after consultation with the Finance Committee	Key Issues Bulletin (16 June 22) to Heads and operational leads
1.6	1 Oct 2023	Schedule 1: increases the current procurement threshold above which departments require three competitive quotes from £1,000 to £5,000.	Approved 14 Aug 2023 by the Council on advice of the Finance Committee	By Notice (Reporter, 6711, 27 Sep 2023, p.3). Key Issues Bulletin (5 Oct 2023) to Heads and operational leads. CUFS Bulletin (9 Oct 2023) to Finance Key Contacts.
1.7	1 Feb 2024	<p>F- PURCHASING Reg 18.4(d): reference corrected to Regulation 6.2</p> <p>J- STAFFING Reg 31.3 <i>The principles and rules for expense reimbursement are set out in the Employees Expense Policy</i> and not the Finance procedures.</p> <p>M - EXPLANATORY NOTES point 9: provision for delegation now at Special Ordinance A (viii) 4.</p> <p>Point 11: in relation to EU Public Procurement Directives the second and third sentences replaced with the following new sentence: <i>The Council, on the advice of its Finance Committee, reviews and confirms annually whether the University remains outside their scope.</i></p> <p>SCHEDULE 1 – COMPETITION PROCEDURES The references to EU thresholds and the management of EU Tenders through Procurement Services have been removed from the table.</p> <p>SCHEDULE 2 – DEFINITIONS The reference to EU Tenders has been removed.</p>	Approved 1 Feb 2024 by the Council on advice of the Finance Committee	By Notice (Reporter, 6728) Key Issues Bulletin to Heads and operational leads CUFS Bulletin to Finance Key Contacts ( 12 Feb 2024)

1.8	1 Oct 2024	<p>F - PURCHASING</p> <p>18.4(b)The limit for advance payments requiring prior written consent from the Head of Department has been increased from £10,000 to £50,000 (inclusive of VAT).</p> <p>18.4(c) The threshold for advance payments requiring approval from the Director of Finance has been raised from £10,000 to £50,000 (inclusive of VAT).</p> <p>18.4 (d) The clause requiring the Director of Finance's advice for procurement has been extracted from the previous 18.4(c) and is now separately identified as 18.4(d).</p> <p>18.4(e) The previous clause 18.4(d) has been renumbered as 18.4(e).</p>	<p>Approved 25 July 2024 by the Council's Business Committee on the advice of the Finance Committee</p>	<p>By Notice (Reporter, 6751)</p> <p>Key Issues Bulletin to Heads and operational leads (03 Oct 2024)</p> <p>CUFS Bulletin to Finance Key Contacts (30 Sep 2024)</p>
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## A PRELIMINARY

*Terms in capitals are defined in Schedule 2 where necessary to aid interpretation.*

The Council is responsible for the supervision and management of University resources and finances. The purpose of these Regulations is to provide sound arrangements for internal financial management, accounting, and control, and promote best value for money and compliance with the University's legal and financial obligations.

### 1. Scope

1.1 These Regulations apply to:

- all University Income and Business;
- all Staff; and
- all Departments and University subsidiary companies but not Cambridge University Press or Cambridge Assessment.

### 2. Ethical Principles

2.1 University Business shall be conducted in accordance with the Nolan Principles: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

2.2 Staff must ensure that:

- (a) neither their conduct of University Business; nor
- (b) the conduct of any person or organisation entering into any contract or arrangement with the University, contravenes the Bribery Act 2010. (See also Financial Regulation 20).

There are four offences under the Bribery Act:

- Bribing another person;
- being bribed;
- Bribing a foreign public official; and
- failure to prevent Bribery.

Staff must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the University.

2.3 Staff must declare to their Head of Department any personal interest, which may affect any University Business and act in accordance with the instructions given as to management of any conflict.

2.4 Staff must seek written permission from their Head of Department before accepting gifts or hospitality directly or indirectly from suppliers, other than low value items such as a gift worth less than £25 or hospitality worth less than £50. Receipt of gifts or hospitality must not influence or appear to influence the choice of supplier or prejudice the University's reputation. If in doubt, gifts and hospitality must be refused. Excessive or lavish gifts or hospitality may constitute Bribery.

- 2.5 Where Heads of Department have a conflict of interest or wish to accept gifts or hospitality (other than low value items) they must seek the advice of the body or person to whom they are responsible, for example Head of School, management board or General Board, and act as advised.

### **3. Staff Responsibilities**

- 3.1 Staff shall, irrespective of sources of funding:
- comply with these Regulations and Statutes, Ordinances and University policies;
  - take all necessary advice;
  - assess and manage risks (including to health and safety) entailed in University Business they transact;
  - safeguard University property and Income for which they are responsible;
  - use University resources economically, efficiently, effectively to secure value for money and to promote the Environmental Sustainability Policy;
  - ensure compliance with all obligations in contracts relevant to them entered into by or on behalf of the University; and
  - comply with the University's legal, financial, administrative, and other obligations including to HEFCE, HM Revenue and Customs and other government authorities.
- 3.2 Non-observance of these Regulations may result in disciplinary action.

## **B HEADS OF DEPARTMENT**

### **4. Definition and Responsibility**

- 4.1 'Head of Department' means any of the following: the Head of a Department or a Faculty not organised in departments, Secretaries of Faculty Boards, Head of a Centre, Institute or other body under the supervision of the General Board or Council, and Head of a Division within the Unified Administrative Service. "Department" is interpreted accordingly.
- 4.2 Heads of Department shall ensure:
- proper allocation of funds;
  - sound financial control, authorisations, and separation of duties;
  - that accounts are correctly maintained;
  - that funds available for spending are not exceeded;
  - that these Regulations and other University policies are publicised and observed within their Department; and
  - that all information and explanations required by the University's internal or external auditors are provided promptly.

### **5. Departmental Management**

- 5.1 Heads of Department may designate in writing one or more people to execute specified tasks for and subject to the supervision of the Head of Department. The Head of Department remains responsible.

## **C CONTRACT EXECUTION AND COMMENCEMENT**

### **6. Authority to Sign Contracts**

- 6.1 Subject to Regulations 6.2, 6.3 and 18.4 Heads of Departments have authority to sign contracts in the course of the ordinary business of their Department in respect only of available funds for which they are responsible.
- 6.2 Contracts for the purchase, lease or licence of land or property or for the erection, demolition, substantial repair or alteration of buildings must be referred to ED and are subject to the Sites and Buildings Regulations (see further Regulation 32 and Explanatory Note in Section M). The Director of Estates Division or the Registry, shall approve and sign all such contracts, provided all approvals required under Statutes, Ordinances and the Sites and Buildings Regulations have been given.
- 6.3 The Head of the Research Operations Office shall approve and sign all contracts relating to sponsored research activity (but not purchasing, for which see Regulation 18.2). Small collaborations directly related and subsidiary to a purchase may be executed as part of that contract provided the Research Operations Office is consulted.
- 6.4 Subject to Regulations 6.2 and 6.3 the following persons have authority to sign contracts affecting more than one Department:
- the Vice-Chancellor;
  - a Pro-Vice-Chancellor;
  - the Chair of the Faculty Board or Head of School where all the Departments affected are in that Faculty or School;
  - the Registry;
  - the Director of Finance; and
  - Head of Procurement Services.

### **7 Sealing**

- 7.1 The following persons have authority to authorise affixing of the University's seal, where any necessary approvals are in place:
- the Vice-Chancellor;
  - a Pro- Vice-Chancellor;
  - the Registry;
  - the Director of Finance; and
  - (for assignment of University intellectual property) the Head of the Research Operations Office.

### **8. Documentation, Liability and Performance**

- 8.1 Procurement Services is responsible for safekeeping of the original contracts they execute. Otherwise, the Head of Department is responsible. If required, the Registry or Procurement Services will keep the documentation for contracts affecting more than one Department.
- 8.2 Departments are responsible for meeting obligations and for all costs or losses arising from contracts entered into by or for them.



8.3 Contract performance shall not begin before:

- all necessary approvals have been obtained; and
- the contract has been executed or the person executing it is satisfied that key terms have been agreed and the risks created by delay outweigh the risk of proceeding prior to full contractual agreement.

## **D INCOME AND EXPENDITURE**

### **9. Accounting and Other Records**

9.1 Heads of Department shall:

- maintain financial records as specified in Statutes and Ordinances;
- certify whether annual statements of account (which are distributed by the Finance Division) are true and fair and that responsibilities under these Regulations have been discharged during the year; and
- properly record all transactions in CUFS and any other financial system the use of which has been authorised by the Director of Finance.

9.2 Staff must comply with the Finance Division CUFS user policy.

9.3 Record keeping must comply with data protection legislation. The University is subject to the Freedom of Information Act 2000 and members of the public may request copies of University documents. Staff must follow the guidance published by University's Information Compliance Office and take their advice as necessary.

### **10. Cash and Banking**

10.1 All University Income must be paid promptly into a bank account in the name of the University (and into no other account) and be accounted for in CUFS. All University expenditure must be paid from a University bank account and be accounted for in CUFS.

10.2 Departments and Staff have no authority to open bank accounts (whether in the UK or abroad) for any University activities without the prior written consent of the Director of Finance.

10.3 Where possible, Departments shall separate duties for receiving and recording University Income. Where this is not possible regular independent checks shall be made.

10.4 The Financial Procedures Manual lays out further financial requirements including in respect of cash, petty cash, banking, credit card and related matters.

## 11. Management of Expenditure and Use of Resources

- 11.1 Heads of Departments are authorised to incur expenditure not exceeding the limits of funds available to the Department. They are responsible for ensuring that monitoring and control arrangements are adequate to prevent over-commitment of expenditure; that all funds under their control are used only for the purposes for which they are allocated; and resources are used in accordance with the Environmental Sustainability Policy. The Head of Department (or budget holder where authorised by the Head of Department) shall approve expenditure.
- 11.2 The Financial Procedures Manual lays out further financial requirements and guidelines, including in respect of travel, subsistence and entertainment and related matters.

## 12. Supplying Goods or Services including Research

- 12.1 Heads of Departments must establish procedures to ensure that:
- all supplies of goods and services are authorised and are supplied as agreed;
  - trading accounts are managed to break even or achieve a surplus;
  - all relevant risks to the University are considered and managed, there are adequate credit control procedures and supplies are made only where the credit risks are acceptable;
  - the University's standard terms and conditions are applied where possible;
  - invoices other than for sponsored research funding (see Regulation 13.3) are raised
    - in the name of the University of Cambridge showing the University's VAT number;
    - through CUFS unless prior written consent is given by the Director of Finance; and
    - wherever possible in sterling for settlement in sterling (any exchange risk lies with the Department for invoices in a currency other than sterling);
  - the liability for all taxation is established and tax is charged and accounted for as appropriate (see Regulations 25 and 29);
  - except for research contracts, which are subject to Regulation 13, the full economic cost to the University is recovered, unless the advice of the Taxation Section is sought, and it is appropriate to do otherwise having regard to the particular circumstances;
  - best value is obtained for sale of any goods to external bodies or to staff (and the Taxation Section consulted about VAT and tax implications);
  - sales to staff or their families below the cost incurred by the Department in providing the benefit (including where no charge is made) are recorded and reported as a taxable benefit at the end of the tax year (see Regulation 21.2);
  - where payment for goods is received in cash, the sum does not exceed the cash equivalent of €15,000 (for any single transaction (per the Money Laundering Regulations 2007));
- 12.2 With the exception of research grants claims, Departments are responsible for debt collection in respect of invoices issued to third parties. Advice must be sought from the Director of Finance where legal action to recover monies is considered.

12.3 Uncollectible debts, including in respect of sponsored research activity, will be an expense against the Department. The following authorities exist to write-off bad debts or for part settlement, where all reasonable steps have been taken to recover them:

- Debtors up to £10,000 - Head of Department
- Debtors of between £10,000 and £25,000 - Director of Finance
- Debtors over £25,000 - Finance Committee.

The Taxation Section must be informed of all write-offs (including partial write-offs) of VAT invoices, as the VAT may be reclaimable.

### **13. Research Grants**

13.1 Staff shall send grant applications and proposals for research contracts to the Research Operations Office for approval before their submission in accordance with Research Operations Office policy.

13.2 Heads of Department shall ensure there are appropriate arrangements

- (a) in conjunction with the Research Operations Office to:
- cost grant applications and proposals on the basis of the full economic costs of the research; and
  - recover charges for facilities and overheads in accordance with and at the rates specified in University policy or record the extent and justification for subsidising the cost where in exceptional cases Head of Department agrees not to apply University policy for recovery rates; and
- (b) ensure that research which is funded is conducted to meet the funding terms and conditions.

13.3 The Research Operations Office shall raise all invoices for sponsored research funding.

13.4 All research grant or contract income and expenditure, from whatever source of funds, must be notified to the Research Operations Office and no part of this income may be transferred into donation accounts or other special funds, other than funding remaining unspent at the end of the research which the funder has agreed the Department may retain.

13.5 Heads of Department shall ensure that expenditure on research activity complies with these Regulations. Financial control and record-keeping shall also comply with any additional Research Council or other funder's requirements.

13.6 The Research Operations Office shall ensure all grants are closed on a timely basis and without residual balances.

### **14. Donation Accounts and Trust Funds**

14.1 Donations belong to the University, not to an individual, and must be paid into a donation account in accordance with Regulation 10.1. Donations must be requested and received exclusively for charitable purposes. Receipt which improperly influences any decisions made by or on behalf of the University may constitute Bribery. Acceptance of donations must be made in accordance with the Ethical Guidelines for the Acceptance of Benefactions.

- 14.2 Heads of Department must ensure that:
- donation accounts and trust funds are maintained in credit;
  - funds are applied for the public benefit for charitable, educational or research purposes only; and
  - any Ordinances or regulations governing the receipt of donations and the conduct of individual accounts are followed.
- 14.3 University trust funds are governed by regulations set out in *Statutes and Ordinances*. Trust fund managers shall ensure that funds are used for proper purposes in accordance with the rules of the specific fund and the University's general charitable purposes.
- 14.4 Transfers of donated funds to other institutions can only be to other charitable bodies and must always be approved by the Head of Department and be in accordance with the terms of the gift and the University's general charitable purposes. Transfers shall not be made until the receiving institution has confirmed in writing that the terms of the gift will be observed. Where the transfer relates to the Head of Department's research, the Director of Finance's prior written consent must be obtained.
- 14.5 Donations cannot be transferred to individuals, except where the individual is the donor, and the University is unable to meet the terms of the original gift.

## **E INVESTMENT AND BORROWING**

### **15. The Cambridge University Endowment Fund (CUEF)**

- 15.1 The University's Chief Investment Officer is responsible for all CUEF investment management activities. The Chief Investment Officer appoints and monitors external investment managers.
- 15.2 No Department or trust of the University may invest in any securities or other investments (including land and buildings) without the prior approval of the Finance Committee.
- 15.3 Acquisition of land is also subject to the Sites and Buildings Regulations (see regulation 32.1).

### **16. Investment in the CUEF and Deposit Account**

- 16.1 Surplus funds (only) may be invested in the CUEF and Deposit Account. The Director of Finance is responsible for approving all new and any changes in CUEF holdings. Deposit Account eligibility rules and interest rates are published by the Director of Finance from time to time.

### **17. Borrowing, Guarantees and Loans**

- 17.1 Departments must not borrow money outside the University.
- 17.2 No guarantees or letters of comfort may be issued except with the prior written consent of the Director of Finance.

- 17.3 No Department may make a loan including to staff or (outside the normal course of business) extend credit arrangements without the Director of Finance's prior written consent.

## F PURCHASING

### 18. Obtaining Goods, Services or Construction Works

- 18.1 Expenditure of £2,000,000 or above on capital items (inclusive of VAT) requires the consent of the Planning and Resources Committee.
- 18.2 Value for money in purchasing is normally demonstrated through competition. The table in Schedule 1 sets out the minimum competition requirement when obtaining goods, services or construction works for all Departments; the only flexibility for a Department being set out in Financial Regulation 18.3. These requirements apply to all expenditure irrespective of the source of funding (including spending of grant monies and Leasing). If there is any reason to believe that offers which have been received are not competitive, further offers must be obtained. A Department must not enter into separate contracts, nor apply the Total Value calculation separately to contracts, with the intention of avoiding the application of these Regulations.
- 18.3 Prior written consent not to follow the competition procedures may be granted
- (a) for construction and Construction Related Procurement by:
- the Director of Estates Division where the Total Value is less than the EU Threshold; and
  - the Registry where it is at or exceeds the EU Threshold;
- (b) for other procurement by:
- the Head of Department where the Total Value is £50,000 or less and the Director of Finance where the Total Value exceeds £50,000 by recording the reasons on Procurement Services' on-line dispensation form;
  - for any procurement where the Director of Finance has issued a general consent (irrespective of the Total Value).

Schedule 1 sets out non-exhaustive examples of circumstances where dispensation might be appropriate. Notwithstanding the grant of a dispensation, all the other requirements of Financial Regulations must be met, including Regulations 18.4 to 18.9 inclusive.

- 18.4 (a) Departments must seek all necessary advice.
- (b) The Head of Department's **prior** written consent is needed for one or more payments in advance in relation to any contract totalling £50,000 or less, including VAT if applicable.
- (c) The Director of Finance's advice and prior written consent is needed for:
- all Leasing irrespective of the Total Value (except where a Leasing Framework Contract is used – see the definitions in Schedule 2); a cost benefit analysis shall be submitted where consent is required.
  - payments in advance exceeding £50,000 including VAT if applicable; and
  - payment under early settlement terms exceeding £250,000 including VAT if applicable

(d) The Director of Finance's advice is needed for:

- procurement (other than construction) where the Total Value exceeds £100,000 including VAT if applicable.
- procurement where the Total Value exceeds £50,000 including VAT if applicable and supplier terms are used

(e) The Director of the Estates Division's advice is needed for procurement falling within Regulation 6.2.

18.5 All purchasing shall be based on a specification drafted after consultation with anticipated users and assessment of the associated risks and environmental impact. The Procurement Procedures provide further guidance on purchasing and sustainable procurement.

18.6 Goods and services may be purchased externally only if:

- they are required for the achievement of financial, academic or organisational plans;
- they are not reasonably available elsewhere within the University; and
- the source, sufficiency and terms of the funding have been checked and confirmed.

18.7 Heads of Department must establish levels of authorisation and segregation of duties for contracts where the Total Value exceeds £500 for:

- short listing and acceptance of tenders;
- ordering and inspection of goods and services; and
- payment.

Where payment duties cannot be segregated, transactions must be independently checked on a regular basis.

18.8 Orders must state the nature, quantity and price of goods and services to be provided and where possible apply the University's terms and conditions. Copies of orders must be kept securely. Where an order is placed through CUFS, the electronic record suffices.

18.9 Official orders must be produced in a form approved by the Director of Finance for all purchases above £100 or any lower threshold set by the Head of Department.

18.10 Where equipment is to be loaned to the University free or at a discount, advice must be taken, the principles of Regulation 18 observed and an agreement put in place, including to regulate the University's responsibilities and rights at the end of the loan.

## **19. Receipt of Goods or Services, Payments for services to individuals**

19.1 All goods and services must be checked promptly on receipt to ensure that they accord with order requirements and suppliers advised promptly about any discrepancies. Copies of signed delivery notes must be retained. If deliveries have to be acknowledged prior to checking, endorse the delivery note "Goods received unchecked".

19.2 Invoices must be checked and not authorised for payment until the goods or services have been checked, unless authority is in place to pay in advance (see Regulation 18.4), and those exceeding £1,000,000 have been countersigned by the Director of Finance.

19.3 Payments to individuals must comply with Regulation 31.6.

- 19.4 Heads of Department shall establish arrangements for monitoring and regular appraisal of purchasing activity to ensure that best value for money is secured for current and future purchases.

## **G BRIBERY AND FRAUD**

### **20. Bribery, Fraud and Irregularity**

- 20.1 Heads of Department shall implement procedures as required under the University's policy against Bribery and Corruption<sup>1</sup>, including to prevent Fraud.

Any member of staff shall report immediately in writing any suspicion of Bribery, Fraud or other irregularity to the Registry and the Director of Finance. The Registry is the lead officer under the University's policy against Bribery and Corruption.

- 20.2 The Director of Finance will advise the University's internal auditors and if necessary, the University Security Adviser and police, and report to the Audit Committee and the Vice-Chancellor any Bribery, Fraud or irregularity which has any of the following characteristics:

- exceeds £10,000
- is unusual or complex
- public interest is likely.

- 20.3 Any member of Staff who has reasonable grounds for believing there is serious malpractice within the institution (see Human Resources Division website, Policies and Procedures; Public Disclosure by University Employees: Whistleblowing Policy) should raise their concerns using the specified procedure.

## **H CORPORATE REQUIREMENTS**

### **21. Taxation**

- 21.1 Heads of Departments shall ensure that their Department accounts correctly for VAT and where appropriate corporation tax. Where there is any doubt as to the correct VAT or tax treatment of a transaction, the Taxation Section must be consulted.
- 21.2 Heads of Departments shall ensure that any taxable benefits paid to individuals are reported to the Finance Division for inclusion in P11D returns.

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<sup>1</sup> See [www.governanceandcompliance.admin.cam.ac.uk/governance-and-strategy/policy-against-bribery-and-corruption](http://www.governanceandcompliance.admin.cam.ac.uk/governance-and-strategy/policy-against-bribery-and-corruption) (Reporter, 6265, 2011–12, p. 593).

## **22. Legal Advice and Proceedings**

22.1 The Council's Committee on Benefactions and External and Legal Affairs and the Registry have authority to take legal advice and to conduct legal proceedings. Departments shall not take any action to initiate or defend legal proceedings or obtain external legal advice without first involving the Legal Services Division, which will seek consent from the Registry or the Committee as necessary. The Legal Services Division should be contacted immediately if legal proceedings are threatened or served on any part of the University or any University subsidiary company. See also Regulation 23.3 and 23.4.

## **23. Insurance**

23.1 Departments must comply with the insurance requirements set out in Financial Procedures and on the Insurance Section web pages.

23.2 Contents whether owned, borrowed or hired must be valued, recorded, and notified to insurers. Departments should regularly review the value of contents held and notify the Insurance Section of:

- departmental moves;
- the acquisition and disposal of high value items (exceeding £1,000,000); and
- temporary removal from University premises (where the single article exceeds £50,000 or the total exceeds £100,000).

23.3 Departments must take all necessary steps to prevent losses and accidents and ensure that the Insurance Officer is advised immediately of any new unusual or significant risk. Liabilities should not be accepted on behalf of the University without careful consideration. Any liabilities not covered by insurance will fall on the Department.

23.4 Third party claims must be passed immediately to the Insurance Section without comment to the third party to ensure that the University's legal position and insurance policies are not compromised.

## **24. Overseas Activity**

24.1 No Department may enter into any arrangements for activity outside the United Kingdom, unless the Director of Finance gives prior written consent, where this activity involves either or both setting up any establishment and employing individuals overseas. In giving such consent, the Director of Finance shall seek advice from the Legal Services Division and the Taxation Section. The Director may require that external advice is procured at the expense of the Department seeking to enter into such arrangements. Consent shall not be deemed to override the need to take all necessary advice and obtain any other approval from University bodies including the General Board.

# **I COMMERCIAL ACTIVITY**

## **25. New Income Generation or Trading Activity**

25.1 Apart from core teaching, research, and the organisation of conferences, when a new income-generating or trading activity is set up (whether in the UK or abroad), the Head of



Department must consult the Taxation Section beforehand to consider the VAT implications and whether the activity constitutes trading which might be subject to Corporation Tax.

- 25.2 The Director of Finance may direct that transactions be undertaken through a University subsidiary company.

## **26. University Companies**

- 26.1 No University company may be formed, or shares taken in any company (whether in the UK or abroad) for any purpose without advice from the Director of Finance and the prior approval of the Finance Committee, except when done through University of Cambridge Investment Management Limited for investment purposes or by Cambridge Enterprise in relation to the exploitation of intellectual property.
- 26.2 University subsidiary companies shall enter into and keep under review a memorandum of understanding with the University. Each company shall operate in accordance with such memorandum and within the framework provided by these Regulations, including the provisions regarding procurement, and any additional procedural requirements imposed by their boards.

## **27. Third Parties occupying University space**

- 27.1 Heads of Department and ED shall maintain departmental and corporate registers of any third-party organisation occupying University space (Embedded Companies). Heads of Department shall also ensure that procedures are in place to regulate the presence of visitors to the Department, including the signature of visitor agreements as necessary.
- 27.2 Heads of Department shall in respect of Embedded Companies:
- undertake financial and space cost benefit analysis for all new and (periodically for) existing Embedded Companies;
  - comply with Regulation 29;
  - take advice from ED and the Taxation section and seek permission from RMC as necessary
  - ensure that Embedded Companies comply with health and safety requirements;
  - use the University's standard terms and conditions for third party occupation where possible;
  - obtain evidence of Public Liability and employer's insurance annually; and
  - identify, and deal appropriately with, conflicts of interest.

## **28. Consultancy and Private Activity**

- 28.1 When engaging in consultancy or other commercial activity in a private capacity, Staff must not hold themselves out as acting on behalf of the University, use University headed stationery nor (except in accordance with Regulation 29) use any University premises facilities or resources.
- 28.2 The University accepts no responsibility for any work done, advice given, or activity undertaken by Staff in a private capacity. Staff are reminded of the need to take out professional indemnity insurance for such work, advice, and activity and that they are responsible for all liabilities arising including as to tax. Staff who conduct work through

Cambridge University Technical Services Limited are insured under the University's insurance policies.

## **29. Non-University Activities – Use of Premises, Facilities etc.**

- 29.1 Unless the Head of Department gives prior written consent and an appropriate contractual agreement with the University is put in place, non-University activities may not be carried out on University premises nor University facilities or resources used for such activities. Care is needed to avoid breaching any obligation of the University to a third party (for example in relation to use of computing facilities and software).
- 29.2 Heads of Department shall ensure that appropriate charges are made for the use of University premises, facilities or resources for non-University purposes (see Regulation 12).
- 29.3 The Director of the Estates Division must be consulted before making any arrangement (including leases or licences) for the use of any University space for non-University purposes. See also Regulation 27.

## **30. Intellectual Property**

- 30.1 Intellectual property generated through University activities is governed by the Intellectual Property Ordinance granted on 12 December 2005.

# **J STAFFING**

## **31. Salaries and Staff Appointments**

- 31.1 All University employees shall have a properly authorised letter of appointment in the form approved by, or under, the authority of the Human Resources Committee. For the avoidance of doubt the term 'employees' includes temporary and casual workers.
- 31.2 The source of available funding to support the posts or post shall be identified before a member of staff is given a contract of employment.
- 31.3 The only payments which may be made to University employees are those in accordance with approved University salary scales and such other payments as have been specifically approved by the Human Resources Committee. Staff must follow the key principles and rules on expenses reimbursement as set out in the Employees Expense Policy.
- 31.4 Heads of Departments must provide the Payroll Section with and keep up to date a list (signed by the Head of Department) of persons authorised to sign salary documents for departmental staff paid through the payroll. Where the proposed signatory is not a University employee the approval of the Director of Finance is also required.
- 31.5 For all new employees the Head of Department or other authorised signatory shall ensure that the person is legally eligible to work in the UK. The Payroll Section will not add a non-EU citizen to the payroll unless it is clear that any necessary work permit has been obtained or that the immigration status of the person concerned does not require the University to seek permission for the specific employment proposed.

- 31.6 Individuals may not be paid as suppliers through CUFS unless the Taxation Section has given prior written consent including as to the contract terms used.<sup>2</sup>

## K PROPERTY

### 32. Property

- 32.1 The University's real property is governed by *Statutes and Ordinances* including the Sites and Buildings Regulations.
- 32.2 Departments may not acquire or dispose of real property without taking the advice of the Directors of Finance and of the Estates Division. See further Regulation 6.2.
- 32.3 The University's Taxation Section must be consulted about VAT and the tax implications of property acquisitions, disposals and usage.

### 33. Stores and Equipment

- 33.1 Stores and equipment shall be dealt with as set out in the *Financial Procedures Manual*. Assets bought with University income irrespective of the source of funding remain the property of the University until sold, gifted, or destroyed, unless contracts with external sponsors specify otherwise.
- 33.2 Fixed asset registers must be maintained (with a minimum requirement for all items costing more than £5,000).
- 33.3 Heads of Departments shall keep full, proper, and correct records of stock. A full stock take must be performed annually between 1 June and 31 July in addition to any regular interim stock takes.

## L AUTHORITY

### 34 Council Delegations and Directions

- 34.1 The Council hereby gives all delegations and directions contemplated by these Regulations.

### 35. Revision

- 35.1 Every three years, or more frequently if appropriate, the Director of Finance shall arrange for these Regulations to be reviewed and for proposed changes to be submitted to the Finance Committee for onward recommendation to Council and adoption by Council Notice.

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<sup>2</sup> See the FD3 process at [www.finance.admin.cam.ac.uk/finance-staff/tax/fd3-employment-status-referral-form](http://www.finance.admin.cam.ac.uk/finance-staff/tax/fd3-employment-status-referral-form)  
<https://www.finance.admin.cam.ac.uk/finance-staff/tax/fd3-employment-status-referral-form>

## M EXPLANATORY NOTE

- The University endeavours to conduct University Business in accordance with the Nolan Principles<sup>3</sup>:
- The Council is the principal executive body and policy making body of the University. The Council has general responsibility for administration, planning of work, management of resources and general supervision of finances.<sup>4</sup> It has the authority to take legal advice and conduct proceedings on behalf of the University.<sup>5</sup> The Council and its Finance Committee exercise the University's powers of investment subject to certain restrictions.<sup>6</sup> The Council has responsibilities in relation to the care, management, and maintenance of property<sup>7</sup>.
- The Vice-Chancellor has the customary rights and duties of the office<sup>8</sup> and is the designated officer responsible to the Public Accounts Committee.
- Pro- Vice-Chancellors perform duties as prescribed by *Statutes and Ordinances*, the Council or the Vice-Chancellor.<sup>9</sup>
- Heads of University Departments and Secretaries of Faculty Boards have financial responsibility under *Statutes and Ordinances* and are accountable for the proper application of funds.<sup>10</sup> Heads of other institutions are similarly responsible under particular provisions of *Statutes and Ordinances*.
- Acting Heads of Department may be appointed during a vacancy and count as Head of Department. The General Board appoints Deputy Heads and defines their duties and powers.<sup>11</sup>
- The Registry is the principal administrative officer of the University under the direction of the Council and is the head of the Unified Administrative Service.<sup>12</sup>
- The University Offices form the Unified Administrative Service under the supervision of the Council and are organised in Divisions.<sup>13</sup>
- Special Ordinance A(viii) 4 provides for delegation by any University body to any committee or University officer (including in relation to finance) subject to *Statutes and Ordinances*.
- The Audit Committee has responsibilities under *Statutes and Ordinances*. The University's internal and external auditors have unrestricted access to all records, assets, personnel and

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<sup>3</sup> See the University's Corporate Governance Statement, annexed to the University's Annual Reports and Financial Statements. Footnote 2

<sup>4</sup> Statutes A IV 1, A VI 1(a), C I 1(c) and F I 1(a).

<sup>5</sup> Ordinances Chapter I, The Council, Legal Powers.

<sup>6</sup> Statute A II 6(b) and Ordinance Ch XIII, Financial Matters, Regulation 6.

<sup>7</sup> Statutes A II 3 and F II 2-3

<sup>8</sup> Statute C III 3.

<sup>9</sup> Statute C III 17.

<sup>10</sup> Statute A V 17(c).

<sup>11</sup> Ordinances, Chapter IX, Departments and Heads of Department, Regulations 4 and 5.

<sup>12</sup> Statute A V1 1

<sup>13</sup> Ordinances, Chapter XI, Special Regulations for University Officers, Unified Administrative Service, Regulations 1 & 2. Footnote 12

premises and the right to obtain such information and explanations as they consider necessary. The OfS, Research England, HEFCE, HM Revenue and Customs, and others may also have the right to audit University Business.

- The purpose of the EU Public Procurement Directives and implementing UK Regulations is to encourage competitive tendering for public contracts throughout the European Union. The Council, on the advice of their Finance Committee, reviews and confirms annually whether the University remains outside their scope. The Council intends that the University's procurement procedures should continue to follow the good practice set out in the Regulations.
- In addition to compliance with Financial Regulations Staff must also comply with the requirements of *Statutes and Ordinances* and the Sites and Building Regulations.
- Ethical guidance on acceptance of donations and the provisions for acceptance of donations by or with the authority of the Vice-Chancellor are set out in Ordinances.<sup>14</sup>

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<sup>14</sup> Ordinances, Chapter XIII, Council Notice: Ethical Guidelines on the Acceptance of Benefactions.

## SCHEDULE 1- COMPETITION PROCEDURES

Consult Schedule 2 for the meaning of all words beginning with a capital letter.

In particular the contract value must be calculated per the definition of Total Value.

Total Value (before VAT)	Procedure for inviting offers		
	Framework Contracts	Marketplace	Other purchases
<£5,000	Follow procedures recommended by Procurement Services for the contract.	Only the price from the Marketplace is required.	Written price confirmation.
£5,000- £25,000			Three Written Quotes.
>£25,000 - £50,000		Three Written Quotes or three Written Proposals, depending on complexity, risk and value of the purchase (see the guidance in Procurement Procedures).	
>£50,000		Three Tender Submissions.	
> £100,000	Procurement Services must be consulted/involved and agree the most appropriate procurement method.		

### Notes

- Competition procedures are applicable unless a dispensation has been granted in accordance with Regulation 18.3. Non-exhaustive examples of when a dispensation might be appropriate are.
  - Sole source supply necessary in the following circumstances:
    - technical compatibility e.g. upgrade to an existing solution or purchase of additional goods which must be compatible with existing goods;
    - protection of technical rights;
    - single provider (membership of a professional institute/proprietary training);
    - purchase of, or repairs to, goods or materials, including machinery or plant, available only as proprietary or patented articles;
    - the work to be executed or the goods/services to be supplied constitute an extension of an existing contract where a change of supplier would cause:
      - disproportionate technical difficulties;
      - diseconomies, or
      - significant disruption.

- Other reasons might include:
  - a one-off, unique opportunity which offers significant value;
  - extreme urgency, which was unforeseeable and is not attributable to the requester and which precludes the invitation of quotations or tenders.

2. The expectation is that, where the required goods are available, purchases up to £25,000 will be made via the Marketplace or under a Framework Contract. Other offers should not be sought, unless better value can be achieved elsewhere, in which case Procurement Services must be notified so that any price discrepancies and inclusion of the supplier on the Marketplace can be explored.

## SCHEDULE 2 – DEFINITION, ADVICE AND GUIDANCE

### Definitions and Interpretation

Bribery	As defined in the University's Policy against Bribery and Corruption.
Certifying	Completion of Procurement Services' on-line dispensation form.
Construction Related Procurement	The procurement of goods or services which could not be procured separately from the construction or alteration of a building (for example lift maintenance, the procurement and installation of equipment including air conditioning are not Construction Related Procurement).
CUEF	The Cambridge University Endowment Fund in which the main University endowments are pooled.
CUFS	Cambridge University Financial System.
Department, Head of Department	As defined in Regulation 4.1
Deposit Account	A University wide facility that allows Departments to invest surpluses.
ED	The University's Estate Division
Embedded Company	A third-party organisation (often but not always a company) occupying University premises or whose employees' normal place of work is on University premises, other than as temporary visitors or to provide services to the University.
Environmental Sustainability Policy	As published from time to time by the Council <sup>15</sup>
Framework Contract	Any framework contracts approved by Procurement Services.
Fraud	As defined in the University's Policy against Bribery and Corruption.
Investment Board	The board which manages for the University the investment of the CUEF.
Leasing	A third party (including a supplier or a finance company) makes available for the University's use assets owned by the third party (ownership never vests in the University), for which a rental payment is made for a period of use; as distinct from an arrangement which amounts to borrowing to fund the possible acquisition of assets.
Marketplace	Any supplier catalogue or process for obtaining offers which is made available electronically through CUFS.

<sup>15</sup> [www.environment.admin.cam.ac.uk/files/environmental\\_sustainability\\_vision\\_policy\\_and\\_strategy\\_for\\_web.pdf](http://www.environment.admin.cam.ac.uk/files/environmental_sustainability_vision_policy_and_strategy_for_web.pdf).



Nolan Principles	The seven principles identified by the Committee on Standards in Public Life.
Planning and Resources Committee	Planning and Resources Committee of the Council and the General Board.
Procurement Services	The University's Procurement Services section of the Finance Division.
Procurement Procedures	The guidance and model documents on procurement in the Financial Procedures Manual or published on the Procurement Services web pages.
Proposals	Bona fide, comparable Written bids submitted by a specified date (the Procurement Procedures provide sample documentation).
Quotes	Bona fide, comparable Written quotations (the Procurement Procedures provide sample documentation).
Staff	All employees, including temporary and casual workers, irrespective of whether their appointment specifically includes financial responsibilities and however their employment is financed: together with anyone else who has any responsibility for the administration, management or expenditure of any University Income or conducts any University Business.
Tender Submissions	Formal tender documents submitted by suppliers in response to an Invitation to Tender.
Total Value	The contract value or estimated value as follows: <ul style="list-style-type: none"> <li>(a) fixed period contract - the total price to be paid or which might be paid, during the whole of the period;</li> <li>(b) recurrent transactions for the same type of item - the aggregated value of those transactions in the coming 12 months;</li> <li>(c) uncertain duration - monthly payment x 48;</li> <li>(d) feasibility studies - value of the follow-on scheme;</li> <li>(e) the aggregated value of separate contracts meeting a single requirement.</li> </ul>
University	The Chancellor, Masters and Scholars of the University of Cambridge.
University Business	University business which has a financial impact.
University Income	All monies, regardless of source or purpose, which are due or paid to the University or made available to individuals because of their association with the University, including donations.
Written	In writing, including submission by fax or email or using web tendering facilities provided by the University.

Terms are to be understood as used in *Statutes and Ordinances* unless the context of the Regulation requires otherwise.

Words preceding 'include', 'includes', 'including' and 'included' shall be construed without limitation by the words which follow those words.

**Further Guidance** is contained in:

- the Financial Procedures Manual;
- Web pages of:
  - Finance Division (including Procurement Services and Insurance);
  - Research Operations Office;
  - Human Resources Division;
  - Governance & Compliance Division (Information Compliance Office);
  - University Information Services;
  - Legal Services Office; and
  - Cambridge Enterprise (for Cambridge University Technical Services Limited).