

Brunel University London – Scheme of Delegation of Financial Authority

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Scheme of Delegation of Financial Authority

1. Introduction

In accordance with the Financial Regulations of Brunel University London, Council must approve all financial authority levels that commits the University to incur cost, whether Capital Expenditure, Revenue Expenditure or Research/Commercial Contract Expenditure, regardless of the source of funding.

Council approves the Budget and Capital Programme which sets expenditure limits for each area of activity and capital project. Authority to enter into financial commitments in accordance with the Budget and Capital Programme is delegated to the Executive Board and Officers as set out in this Scheme of Delegation of Financial Authority. In exercising this delegated authority, budget holders are required to observe the University's financial procedures.

This Scheme of Delegation of Financial Authority should be considered in conjunction with the University's:

- [Council Ordinance 5](#) – which sets out the powers, duties and functions of the University's Council and its committees;
- [Council Ordinance 7](#) – which sets out the scheme of reserved and delegated powers, from Council, through to its committees and to senior officers of the University;
- [Council Ordinance 10](#) – which sets out the University's Financial Regulations and detailed supporting policies and procedures.

This document summarises the specific financial delegations applicable to the day-to-day operations of the University. The monetary values in the Scheme of Delegation of Financial Authority are to be reviewed periodically by the Finance Committee and any changes recommended to Council.

Resources are allocated annually by Council on the recommendation of the Finance Committee, and are based on the Annual Budget as approved by Council before the start of each financial year. The financial administration is controlled by the Chief Operating Officer, supported by the Director of Finance.

Members of the Executive Board and Heads of Departments are responsible for the economic, effective and efficient use of resources allocated to them. Internal lines of delegation are either through the line management hierarchy or operate through functional relationships where there is a senior lead for a key strategic theme, and through associated roles at different levels within the University.

As detailed in [Council Ordinance 10](#), section 5.1: "Everyone connected with the University has a duty to ensure that the University's resources are used legitimately, wisely and effectively for the purpose and objectives of the University" and further in section 5.5 "All members of staff should be aware that they have a general responsibility for the security of the University's property, for avoiding loss and for economic use of resources. They should ensure that they are aware of the University's financial authority limits and the values of purchases for which quotations and tenders are required."

Members of the Executive Board and Heads of Departments are responsible for procuring the goods and services they require within their defined budgets. Purchasing authority may be

delegated to designated budget holders within a department. In exercising this delegated authority, budget holders are required to observe the University's [Financial Regulations](#) and [Procurement Code](#).

The financial limits that apply are to a particular project/contract as a whole, even though the procurement may be in phases and over a period of time. In other words, splitting of orders or contract commitments to avoid approval at a higher level is strictly prohibited and will be considered a breach of Financial Regulations. All financial limits are inclusive of VAT unless stated otherwise.

2. Principles

The following principles underpin the Scheme of Delegation of Financial Authority:

- The decision should be consistent with the University's Mission, Aims and Objectives.
- The person to whom the authority has been delegated should only make decisions within his/her area of responsibility; one academic or service unit should not take a decision that commits another academic or service unit without their consent.
- Delegated authority should be linked to budget management and all budget holders responsible for a budget should have an approval limit.
- Delegated authority should relate to revenue costs, capital expenditure and research expenditure.
- Decisions should not be taken unless relevant documentation has been reviewed in line with the University's policies and procedures (including the Financial Regulations) and, where necessary, external legal advice has been sought.
- Where a third party has provided funding, decisions should only be taken once any required approval from the third party has been obtained.

3. Procurement Limits and Non-Pay Expenditure Approval

Unless stated elsewhere in this document, the approval limits in the table below are for purchase orders, payment of non-pay or contract expenditure invoices and other payment documents.

Maximum Approval Limit	Contract & Purchase Order Approval	Procurement Requirements
Exceeds £1,000,000	Requires additional approval from either – Vice-Chancellor and President, Provost, or Chief Operating Officer.	Minimum of 3 quotes – Procurement must lead the project and use the Category Management Process.
£100,001 to £1,000,000	Vice-Chancellor and President, Provost, or Chief Operating Officer.	
£30,001 to £100,000	Pro-Vice Chancellors and Executive Deans of College, Directors of College Operations, Department Directors/Heads (non-Academic)	
£10,001 to £30,000	Heads of Department (Academic), Directors of Institutes, Institute Managers, College Managers	Minimum of 3 quotes
£2,501 to £10,000	Head of Department / Institute (system approver Departmental Administrators)	Minimum of 1 quote
Up to £2,500	Head of Department / Institute (system approver Finance Administrators)	

In the event of an approver being absent, the substitute for the period of absence would ordinarily escalate to the approver with a higher approval authority within the chain of escalation or to a peer. In the event of the absence of the Head of Department a nominated alternate from within the department is permitted, provided that this individual ordinarily assumes responsibility for the school during the Head of Department's absence. The Head of Department should confirm this nominee.

All authorised approvers can also approve amounts below the levels in the maximum thresholds detailed above.

Procurement Strategy Thresholds and Approval

The Procurement Strategy thresholds determine the approach to be applied to all procurement activity and set the types and levels of approvals before engaging with the market via a tender process (for further detail see the University's Procurement Code here: [BUL Procurement Code \(Version 1.0\) \(brunel.ac.uk\)](http://brunel.ac.uk))

4. Purchasing Cards and Corporate Expense Cards

The University has a policy and procedure for both:

- the procurement of high volume low value goods and services – the [Procurement Card Policy](#); and
- managing the payment of expenses which have been incurred when undertaking activities on behalf of the University – the [Corporate Expense Card Policy](#).

Full instructions are available on the [Procurement Department](#) intranet page.

5. Capital Expenditure

Brunel University London defines capital expenditure as:

- any expenditure over £10,000 on an item or group of related items (with an individual cost >£10,000) which has a life of more than 1 year; and
- has a use in the teaching of students; research; or for administrative purposes.

This covers all construction and improvements which increase the value and useful economic life of a building, major equipment purchases, software, and expenditure related to research, consultancy and other areas of knowledge transfer.

The Capital Expenditure Budget is prepared annually and incorporates all planned spend on land, buildings and equipment. This is formally approved by the University's Finance Committee and Council.

Protocols for the inclusion of major capital projects in the capital programme for approval by Council are summarised at Appendix B of the [Financial Regulations](#). These set out the information that is required for each proposed project as well as the financial criteria that they are required to meet.

Responsibility for ensuring capital expenditure in line with the approved Capital Budget is delegated to the Campus Management & Environment Committee which reports to Executive Board. The Capital expenditure budget is prepared annually and incorporates all planned spend on land, buildings and equipment. The budget is formally approved by the Finance Committee and Council.

Proposals for Capital Expenditure that arise outside the annual Capital Budgeting cycle relating to the acquisition, construction or disposal of land, buildings or equipment require Finance Committee or Council approval for expenditure in excess of £1 million, and, for proposed expenditure below £1 million approval must be obtained from the Executive Board.

6. Travel and Subsistence

The University will reimburse all reasonable expenses necessarily incurred by claimants in the performance of their duties, such as mileage, train fares and accommodation. Consideration should always be given to using the most practical and cost-effective method of travel in terms of both cost and time. Staff booking travel should also ensure that it is undertaken in the most sustainable way possible – consideration should be given to conducting meetings by video

conference initially to avoid the need to travel, but if there is clear business need to meet face to face then staff are advised to consider booking rail services for short domestic trips and to rent electric or hybrid cars where car rental is required.

All claimants shall submit expense claims on a monthly basis. Claims submitted in one month should include all expenses incurred during the previous month. All claims must be authorised appropriately to ensure that the amounts claimed are justifiable, represent value for money, are coded correctly and, where applicable, are supported by receipts.

It is the responsibility of the authoriser to validate the claim and to ensure that the amounts claimed are justifiable, represent value for money, are coded correctly and, where applicable, are supported by receipts.

Full details are set out in the University's [Travel and Subsistence Policy](#).

The authorisation process is set out below.

Claimant	Authorised by
Council Lay Members	Secretary to Council or Provost
Committee Lay Members	Secretary to Council
Vice-Chancellor and President	Chair of Council or Deputy Chair of Council
Executive Board Members unless Senate Members	Chief Operating Officer or Provost
Chief Operating Officer and Provost	Vice-Chancellor and President
Heads of Department	Pro-Vice Chancellor and Executive Dean of College, Director of Institute
All other staff	Relevant Line Manager(s)

Note: In the case of overseas travel, particularly where the costs are to be funded from the University's funds, it is necessary to justify the journey. This should be in the form of a brief documented case, setting out how the journey fits with the University's strategy, and what outcome/outputs are expected to be achieved/delivered. The prior approval of the Executive Dean of College, Director of Institute, Provost or Vice-Chancellor, as appropriate, must be obtained before undertaking the journey.

7. Other Financial Commitments

Subject	Criteria & limits	Approval	Comments
Banking arrangements & investments			
Bank guarantees, performance bonds	All	Chief Operating Officer	After consultation with Director of Finance, Director of Estates or relevant Head of Department
Borrowing from financial institutions	All borrowing whatever the term, and including direct lending,	Council, subject to the approval, if	

	operating and finance leases	required, from the OfS	
Opening new bank accounts	Any bank account	Finance Committee	
Changes to bank signatories	All bank accounts	Finance Committee	
Bank deposits and investments with agreed counterparties	All deposits	Delegated Finance Department Treasury staff	
Research grants and contracts	All	Director of the Research Support and Development Office	Full guidance: https://intra.brunel.ac.uk/s/rso/Pages/default.aspx
Commercial sales/income contracts	Agreement for Halls of Residence Other commercial revenues: a) More than 2 years or over £50k pa b) Less than 2 years or less than £50k pa	Chief Operating Officer, following Executive Board Approval Chief Operating Officer Head of Department	
Confidentiality/non-disclosure agreements	All	Agreement will be signed by Director of Human Resources or Chief Operating Officer	Legal review All agreements will be lodged with Department of Human Resources
	a) Final JV or partnership agreements	a) Council,	This includes interim agreements, memorandum of understanding, teaming

Joint venture or partnership arrangements	b) Non-binding, interim agreements, letters of intent	b) Executive Board Agreements will be signed by Vice-Chancellor and President, or Chief Operating Officer	agreements, non-binding head of terms, letters of intent
Provision of Indemnities and Guarantees	Up to £25,000 £25,001 to £250,000 Above £250,000	Chief Operating Officer Vice-Chancellor and President as countersignature to Chief Operating Officer Vice-Chancellor and President or Chief Operating Officer acting on a resolution of the Finance Committee	Staff should not sign any disclaimer, form of indemnity or other document having the effect of creating legal liabilities for the University.

8. Bad Debt Write-Offs

The University has a [student debt management policy](#) and a [commercial and research activities debt management policy](#) which it uses to assist with the collection of debts.

Regarding the procedure for write-off of bad debts after collection processes have been followed:

- Any debt where the entity involved has gone into administration and it is confirmed that the University is not on the list of creditors to be paid can be written off on the basis of approval by the Director of Finance.
- For all other debts, where it has been demonstrated that all collection attempts have been exhausted and the debt is therefore deemed irrecoverable, the following approval levels will apply:
 - Individual invoices with a value of up to £10k – Head of Financial Control.
 - Individual invoices with a value of above £10k and up to £50k – Director of Finance.
 - Individual invoices with a value of over £50k – Chief Operating Officer.

All debts written off will continue to be reported to the Finance Committee for governance purposes.

