

Brunel University London – Scheme of Delegation of Financial Authority

Contents

1. Introduction	2
2. Principles	3
Framework of Delegated Financial Authority	
3. Procurement Authority Limits	4
4. Non Pay and Contract Expenditure	5
5. Purchasing Cards	5
6. Capital Expenditure	6
7. Travel and Subsistence	6
7. Other Financial Commitments	7
7. Bad Debt Write Offs	9

Scheme of Delegation of Financial Authority

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, including detailed [purchasing 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 every year 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 Financial Officer (CFO).

Deans of Colleges, Directors of Institutes 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."

Deans of Colleges, Directors of Institutes 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 [Purchasing Procedures](#).

Deans of Colleges, Directors of Institutes and Heads of Departments and their delegated budget holders are only authorised to commit the University to any expenditure after ensuring that sufficient funds are available to meet the purchase cost of goods and services.

Nobody is permitted to make a non-pay financial commitment for longer than 12 months without the prior approval of the Chief Financial Officer.

All procurement must be undertaken in accordance with the [Purchasing Procedures](#) set out in the [Procurement section of the Finance intranet](#). This also shows the procedures for tendering.

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.

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.

2.2 Decisions which require a financial commitment should observe the following additional principles, consistent with [Financial Regulations](#) and [Purchasing Procedures](#):

- The decision should demonstrate that value for money considerations have been taken into account.
- Approvers must be assigned to their relevant cost centres and should only approve expenditure for the cost centres / budget codes they are responsible for.
- Information Services and Estates are responsible for any IT or Estates related expenditure, respectively. **Colleges, Institutes and Departments should not commit expenditure related to IT or Estates.**

- Expense claims must be approved by the Line Manager or relevant budget holder (where these are different) in line with the [University's Travel and Subsistence Policy](#).
- All Purchasing cardholders must have a delegated approval limit assigned to them.

The [Purchasing Procedures](#) also detail the procurement requirements relating to set levels of contract commitment (i.e. total value of the contract). In summary – but there is more detail within the purchasing procedures - these note:

Items where the cost is less than £7,500

The minimum requirement is that you place an official order with the supplier you have chosen

Items costing between £7,500 and £30,000

3 quotations must be obtained

Items where the cost is more than £30,000

The Procurement Department must be consulted to make a purchase or arrange a contract worth over £30,000

Non-Pay and Contract Expenditure

Unless stated elsewhere in this document, and in the absence of a contractual requirement as above, 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	Role
Exceeds £1,000,000	Requires additional approval from either – President and Vice-Chancellor, Chief Operating Officer or Chief Financial Officer.
£100,001 to £1,000,000	President and Vice-Chancellor, Chief Operating Officer or Chief Financial Officer
£30,001 to £100,000	Deputy Vice-Chancellor, Deans of College, Directors of Institutes, Directors of College Operations, Department Directors/Head (non-Academic)
£7,501 to £30,000	Heads of Department (Academic), Institute Managers, College Managers
£2,501 to £7,500	Departmental Administrators
Up to £2,500	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 Schools 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 Cards

The purchase of buy goods & services can be undertaken with a Barclaycard VISA procurement card if the total value of a transaction (one swipe of the card), inclusive of delivery & VAT is no more than £250 and the Supplier or shop you are buying from is able to accept VISA charge card payments. A limited number of cards have been set up for making higher value purchases - if you are unsure of what your card transaction limit is please contact the Procurement Department.

Full instructions are available on the Procurement Department intranet page:

<https://intra.brunel.ac.uk/s/finance/Procurement/Pages/Purchasing-Cards.aspx>

Capital Expenditure

Brunel University London defines capital expenditure as:

- any expenditure over £10,000 on an item or group of related items 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 which incorporates all planned spend on land, buildings and equipment. This is formally approved by the University's Finance Committee, Special Projects Committee for Major Projects, 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 Infrastructure Strategy Committee, which reports to Executive Board. All proposals for capital expenditure should be approved by Infrastructure Strategy Committee, following initial appraisal by the appropriate sub-committee reporting to Infrastructure Strategy Committee.

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, as noted above for all capital expenditure, the approval of Infrastructure Strategy Committee for such proposals under £1 million.

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.

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 by an appropriate I 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 line manager 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 Deputy Vice-Chancellor
Committee Lay Members	Secretary to Council
Vice-Chancellor	Chair of Council or Deputy Chair of Council
Executive Board Members unless Senate Members	Director of Finance or Deputy Vice-Chancellor
Chief Financial Officer and Deputy Vice-Chancellor	Vice-Chancellor
Heads of Department	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 Dean of College, Director of Institute, Deputy Vice-Chancellor or Vice-Chancellor, as appropriate, must be obtained before undertaking the journey.

When travelling on journeys within Europe, travel should be in economy class. In relation to longer journeys, for example, travel to America, **Business Class travel** may be acceptable provided a sound business case is made and agreed **in advance by the Chief Financial Officer**.

Other Financial Commitments

Subject	Criteria & limits	Approval	Comments
Banking arrangements & investments			
Bank guarantees, performance bonds	All	Chief Financial Officer	After consultation with Director of Estates or relevant Head of Department
Borrowing from financial institutions	All borrowing whatever the term, and including direct lending, operating and finance leases	Council, subject to the prior approval from HEFCE	
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/rsdo/Pages/default.aspx
Commercial sales/income contracts	Agreement for Halls of Residence Other commercial revenues: a) More than 2 years or over £500k pa b) Less than 2 years or less than £200k pa	Chief Operating Officer, following Executive Board Approval Chief Operating Officer Director of Commercial Services	
Confidentiality/ non-disclosure agreements	All	Agreement will be signed by Director of Human Resources or Chief Financial Officer	Legal review All agreements will be lodged with Department of Human Resources

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

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.

If the procedures detailed in the policy are ultimately unsuccessful, requests to write off debts in excess of £10,000 must be referred in writing to the Chief Financial Officer for submission to the Finance Committee for consideration. Debts below this level may be written off by the Chief Financial Officer, who shall provide a report of any such write offs to the Finance Committee.