



Financial Regulations applicable to College Senior Members and Staff

I. Introduction

- 1.1. Financial records will be kept so that the College can:
 - (a) Meet its legal and other obligations, e.g. under the Charities Act 1992, Oxford and Cambridge, to HMRC, and common law.
 - (b) Enable the trustees to be in proper financial control of the Charity.
 - (c) Enable the Charity to meet the contractual obligations and requirements of funders, including the Trust purposes of benefactors.
- 1.2. The financial year will end on the 30th June each year.
- 1.3. Accounts will be drawn up after each financial year within four months of the end of the year and presented to the Trustees and then to the College's Governing Body as required under the Statutes.
- 1.4. An appropriately qualified auditor will be appointed by the Governing Body.

2. Sub-Committees

- 2.1 The Trustees directly supervise the finances of the College and delegate more detailed control to the Finance Committee which shall include the Principal, Vice-Principal, Bursar and others appointed by the Trustees. The responsibilities of the following committees are detailed in 'Who Does What?':

- Audit Committee
- Finance Committee
- Graduate Awards and Research Support Committee
- Investments Committee
- Loans and Grants Committee
- Management Committee of the Skilliter Centre for Ottoman Studies
- Phyllis & Eileen Gibbs Travelling Research Fellowship Committee
- Research Fellowship Committee
- Scrutiny Committee
- Senior Members' Research Support Committee
- Stipends Committee

3. Budget and Financial Reports

- 3.1 Prior to the start of each financial year, the Trustees will approve an estimated and budgeted income and expenditure account (including capital projects) for the following year which shall then be delegated to the appropriate authorised departments, such delegation to be minuted in writing.

- 3.2 The College will keep proper accounting records in accordance with statutory regulations and best accounting practice, which will include a general ledger holding detail of actual income and expenditure. Separate ledger accounts will be maintained for each restricted or designated fund.
- 3.3 Each month, management reports will be provided to each budget holder showing income and expenditure against budget to enable them to assess and keep control of their delegated budget; and, where appropriate, Fund Accounts.
- 3.4 In February each year a Forecast of Outturn of Income and Expenditure for the current year shall be produced and be presented to the Finance Committee for consideration and passing to the Trustees with any comments and recommendations for necessary interim adjustments.

4. Banking

- 4.1 The College currently banks with the NatWest Bank plc. Accounts are held in the name of Newnham College. Other interest bearing accounts may be opened at such other banks and building societies as shall be approved by the Trustees subject to a report on the credit rating etc of that organisation.
- 4.2 The bank mandate (i.e. the list of people who can make payments by cheque or transfer on the organisation's behalf) will always be approved and minuted by the Trustees as will all the changes to it.
- 4.3 The charity will require the bank to provide statements every week and these will be reconciled with the ledger account at least every month and the College Accountant will check this each month.
- 4.4 The College will not use any other bank or financial institution or use overdraft facilities or loan without the express authorisation of the Trustees.

5. Receipts (income)

- 5.1 All monies received will be banked without undue delay, normally at least weekly, and recorded promptly in the ledger. The College will maintain files of documentation to back up bankings.
- 5.2 Monies received by bank transfer will be identified and entered in the ledger without delay, and unidentified credits investigated, normally within three working days,
- 5.3 The College Accountant is responsible for the appropriate recovery action on all outstanding debts. Overpayments should be detected (or preferably prevented) and recovery initiated.
- 5.4 Where payment for goods and services is received in cash, the sum must not exceed the cash equivalent of EUR15,000 for any single transaction (per the Money Laundering Regulations 2007).

6. Payments (expenditure)

- 6.1 The aim is to ensure that all expenditure is on the charity's business, that it is properly authorised, and that this can be demonstrated. The latest approved College Estimates provides the approved budget holders and bank account signatories with

- authority to spend up to their budget level, but not beyond it without the express approval of the Finance Committee or the Trustees.
- 6.2 The College Accountant will be responsible for holding the cheque book(s) (both unused and partly used) which should be kept under lock and key when not in use. All payments made in whatever way (including bank transfers), shall require two signatures for any sum over £5,000.
 - 6.3 Budget holders shall approve expenditure on their areas of the overall budget. They will seek to attain the expected level of any income items and may only approve expenditure within their budget levels.
 - 6.4 The relevant payee's name will always be inserted on a cheque before signature.
 - 6.5 Direct debit mandates will not be agreed with suppliers other than NatWest Bank plc. Copies of any direct debits and standing orders agreed shall be retained in a special file.
 - 6.6 Payments by bank transfer shall be made in batches, approved and signed by two authorised signatories and implemented using the specialist software provided by the bank. Payments using Bankline ('Faster Payments') are to be set up by one member of the bursary team and authorised by the College Accountant or, in the Accountant's absence, the Bursar or Accounts Manager.
 - 6.7 Bank account details for payees shall be obtained with original signatures but these may be faxed or scanned and emailed to the College. The entry of these details into the ledger or payroll shall be double checked by the College Accountant (or another bank signatory) and thereby authorised for use. All changes to bank details held on the ledger shall be checked by a signatory before each payment batch is processed.
 - 6.8 No cheques, payment batches or direct debit mandates shall be signed without original or verified documentation (see 7 below). 'Verified' documentation may include scanned emailed documents.
 - 6.9 A cheque or transfer must not be signed by the person to whom it is payable.
 - 6.10 All budget holders shall strive to ensure resources are not wasted and to obtain good value for money in making purchases, as well as keeping within budget.
 - 6.11 College money shall not under any circumstances be used for the encashment of private cheques or IOUs.

7. Payment documentation

- 7.1 Every payment out of the College's bank accounts will be evidenced by an original invoice (never by a supplier's statement or final demand) or appropriate verified documentation. Invoices and other supporting documentation will be retained and filed. Every payment must be referenced with:
 - Cheque number or sequential reference number
 - Date payment made/cheque drawn
 - Amount of payment
 - Signature of authorisation

- 7.2 Invoices will not be available for some items such as advanced booking fees for a future course, deposit for a venue etc. In these cases appropriate documentation shall be obtained from the supplier to support the payment, a cheque requisition form will be used and a photocopy of the cheque kept.
- 7.3 **Wages and Salaries.** There will be a clear trail to show the authority and reason for every payment of wages and salaries, e.g. a contract of employment issued by the Bursar. All employees will be paid through the PAYE system and by bank transfer. Timesheets will be submitted (countersigned by the line manager) for any person to be paid on the basis of hours/days completed.
- 7.4 All staff will be paid on pay rates, scales and hourly rates authorised by the Trustees.
- 7.5 All staff posts will be authorised by the Trustees. All changes in overall departmental hours and variable payments such as overtime, will be authorised by the Trustees. Unless the Trustees order a freeze on recruitment, replacement of leavers will be reviewed by the Finance Committee (if necessary by circulation) and where restructuring is not required shall, on approval of a replacement, be delegated to the College Officers except for a set of posts which each require the approval of the Trustees. These posts are the Domestic Bursar, Senior Tutor, College Secretary, College Accountant, all Heads of Department and the Deputy Catering Manager. The Bursar is appointed by the Governing Body of the College.
- 7.6 **Petty Cash** will always be maintained on an imprest system under which a float is maintained at a level agreed by the Trustees. When that cash is more or less expended, additional cash will be drawn from the bank to bring up the float back up to the authorised level, the request to draw cash being supported by a complete set of expenditure vouchers totalling the required amount and analysed as appropriate. Payments from Petty Cash require the same authorisation by budget holders as any other payments, although this approval may be obtained when the next request to draw cash is sought.
- 7.7 The College will, on request, reimburse authorised expenditure paid for personally by staff, and Trustees, providing:
- Fares are evidenced by tickets.
 - Other expenditure is evidenced by original receipts.
 - Car mileage is based on rates agreed by the Trustees.
 - No cheque signatory signs for the payment of expenses to themselves.
 - All claims must be made within three months of the expense being incurred (subject to item 7.8 below) or the right to reimbursement is lost unless expressly agreed in advance between the College Accountant and the Claimant.
- 7.8 In the event of a receipt being lost, the claimant must write out and sign an explanation of the item purchased and provide whatever evidence is available of the veracity of the sum claimed. Reimbursement of expenses may be refused, especially if claimants repeatedly lose receipts.

- 7.9 Credit cards may be issued to appropriate staff on the authorisation of the Bursar who is responsible for the credit limit which the individual is given. A list of credit cards issued, together with details of credit limits, will be reported to Trustees annually. Credit cards may only be used for expenditure related to the charity. The PIN number must be known only to the holder, who will submit a summary sheet and all receipts and vouchers to the Bursary promptly, normally within three working days of receipt of the monthly statement, clearly identifying the budget head(s) to be charged. The College Accountant will review all credit card statements and require further information about individual payments if necessary. The College reserves the right to require card holders to reimburse items charged to credit cards.
- 7.10 Trustees shall receive no remuneration for time spent on College business but they may claim for reimbursement of out-of-pocket expenses relating to training and travelling incurred in attending meetings, conferences and seminars which relate to College business. Expenses must be claimed within three months of being incurred. To assist the preparation of accounts, expenses incurred at the end of the financial year must be claimed by 31st July following at the latest. Claims submitted after these deadlines will only be paid at the Bursar's discretion.
- 8. Other undertakings**
- 8.1 The College does not accept liability for any financial commitment unless it has been properly authorised. The annual College Estimates provide the primary delegation of authorisation to budget holders. In exceptional circumstances such additional expenditure (or foregoing of income) can be made with the written approval of the Bursar who will then provide full details to the next meeting of the Trustees. This covers such items as new service contracts, office equipment purchase and hire. Any expenditure which is explicitly approved as part of the annual budget or is itemised in a project budget approved by the Trustees is exempt from this requirement. Authorisation for legal expenditure should be sought in advance from the Bursar on the basis of an explicit estimate from the lawyers.
- 9. Office security**
- 9.1 All cash and cheques received and awaiting banking, together with petty cash, shall be locked in a safe (if over £5,000) or secure cupboard at the close of business each day.
- 10. Other rules**
- 10.1 The College will adhere to good practice in relation to its finances at all times. It will maintain a fixed asset register for items costing over £10,000 stating the date of purchase, cost, serial numbers and normal location. Additionally the charity will maintain a property record of other items believed to be worth over £10,000, with an appropriate record of their use.

10.2 The procedures detailed in the 'Tender Procedures' documents will be followed for all contracts over £10,000.

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