

**CLARE HALL FINANCIAL REGULATIONS
UPDATES LAST APPROVED BY THE GOVERNING BODY
ON 19 OCTOBER 2016**

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1.0 Introduction

This document contains the Financial Regulations as approved by the Governing Body on the advice of the Finance Committee. The Financial Regulations apply to all the financial business of Clare Hall, irrespective of the source of funding.

1.1 Purpose

The purpose of the Financial Regulations is to ensure the proper use of finances and resources in a manner which not only satisfies the requirements of internal control expected of a college, but also fulfils any legal or financial obligations as laid down by the College's Statutes and Ordinances, the University of Cambridge, HM Revenue and Customs, the Charity Commission and other authorities. The Regulations are intended to provide sound arrangements for internal financial management accounting and control, and promote best value for money.

1.2 Application

The Financial Regulations apply to all transactions of the College including those of any subsidiary companies. They apply to all funds received and applied from whatever source.

1.3 Responsibilities

1.3.1 The Bursar is responsible for ensuring that copies of the Financial Regulations are distributed as appropriate to all Fellows and College Officers, and to all Heads of Department. An adequate number of copies must be made available for reference within each Department. Heads of Department must ensure that all staff are made aware of the Financial Regulations and in particular of all regulations that apply to them, and the implications of not complying with the Financial Regulations, which may result in disciplinary action.

1.3.2 Additional copies of these Financial Regulations may be obtained from the College Accountant, who should also be contacted for advice if there is any uncertainty as to their application.

1.4 Compliance

Compliance with the Financial Regulations is a requirement for all College staff and for all those not directly employed by the College who have responsibility for the administration or management of College funds.

1.5 Revision

Every three years or more frequently if appropriate the Bursar shall arrange for the Financial Regulations to be reviewed and for proposed changes to be submitted to the Finance Committee and then to the Governing Body. The Bursar may, however, at any time submit such amendments or additions to these Financial Regulations as may be considered necessary.

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1.6 Financial Responsibility within the College

1.6.1 The Governing Body, which consists of the President, the Fellows under Titles A, B, C and D and two Graduate Students, is the principal executive and policy-making body of the College, with general responsibility for the control of the College as a place of education, learning and research, for the planning of its work, and for the management of its resources. By Statute, the Governing Body is responsible for administering the College's estates and property and for formally approving the College accounts each year.

1.6.2 To perform these responsibilities effectively, it delegates to the Finance Committee authority to manage, in accordance with general policies laid down from time to time by the Governing Body, the land, property and investments of the College and its financial affairs in general and to direct the Bursar in the performance of her financial duties. The duties of the Bursar are determined by the Governing Body and include managing the College property and keeping the College accounts. Under the Statutes, the Council shall control and manage such College business as shall be prescribed by the Governing Body.

1.7 Staff Responsibilities

Staff are required to comply with these Regulations, to take all necessary advice, to assess and manage risks (including to health and safety) entailed in College business which they transact, to safeguard College property and income for which they are responsible, to use College resources economically, efficiently, effectively and secure value for money.

2.0 Ethical / Governance

2.1 Ethical Policy and Conduct

2.1.1 College Officers and employees and others with responsibility for administration or management of College funds must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the College. Any personal interest which may impinge on an employee's impartiality in any matter relevant to his or her duties should be declared by the employee to his or her Head of Department or the College Officer responsible for his or her Department.

2.1.2 With the exception of low value items, such as a gift or hospitality worth less than worth less than £75 employees must seek written permission from their Head of Department before accepting gifts or hospitality from suppliers or their agents dealing with the College. Under no circumstances must the receipt of gifts or hospitality influence the choice of supplier. If in doubt, gifts and hospitality should be refused or returned. The further points in relation to Receipts of Gifts and Hospitality are attached at Annex 3.

2.1.3 The practice in relation to bribery and corruption is attached at Annex 4 and follows the introduction of The Bribery Act 2010 which came into force on 1 July 2011. The policy applies strictly to all staff, Fellows, agents, consultants, contractors and to any other people or bodies associated with the College within all regions, areas and functions. Awareness of the implications of the Act is important particularly in relation to international conduct where the risk of bribery and corruption is arguably higher.

2.1.4 All members of staff and students of the College have a general responsibility for the security of the College's property, for avoiding loss and being efficient in the use of resources. They must comply with the approved systems of financial control.

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2.2 Audit

Auditors are appointed by the Governing Body in accordance with the College's Statutes. The Auditors have unrestricted access to all records, assets, personnel and premises, and they are authorised to obtain such information and explanations as are considered necessary by them.

2.3 Theft, Fraud and Irregularity

Heads of Department shall establish procedures to safeguard against fraud or irregularity. Any suspicion of financial irregularity should be notified immediately to the Bursar, who will advise the Governing Body and/or the police as appropriate. Departments should not take actions without the approval of the Bursar. In cases which involve or may involve persons who have the status of a student the Senior Tutor will also be informed at an early stage.

2.4 Accounting Records and Annual Financial Statements

2.4.1 The Bursar is responsible for maintaining such financial records as are required by the Governing Body under the Statutes.

2.4.2 **Accounting Records:** Budget holders shall ensure that all monies under their control are used only for purposes for which they have been allocated and that all transactions are properly notified to the College Accountant for inclusion in the College's accounting records.

2.4.3 **College Accounting System:** All members of staff must comply with the rules laid down by the Bursar, the College Accountant and the IT Manager. Heads of Department are responsible for notifying the College Accountant of any new users or leavers. Record-keeping must comply with the Data Protection Act 1998. The College is subject to the Freedom of Information Act 2000 and members of the public may request copies of College documents. Advice on these matters may be obtained from the Bursar or the Computer Officer.

2.5 Consultancy

2.5.1 Fellows must not hold themselves out as acting on behalf of the College when undertaking personal consultancy work. For example, Fellows undertaking personal consultancy work must not use College headed stationery. The College accepts no responsibility for work done or advice given in a personal capacity. Fellows undertaking personal work are reminded of the need to take out personal indemnity insurance.

2.5.2 Staff who are full-time employees of the College are contractually bound not to undertake personal work without approval from the Bursar, such approval not to be unreasonably withheld. When such approval is given, the foregoing will apply to such staff as well as to Fellows.

2.5.3 Heads of Department should ensure that appropriate charges are made for the use of College premises and facilities for non-College purposes. Section 3.2 below includes provisions relating to charging.

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2.6 College Companies

No College company may be set up for any purpose unless approved by the Governing Body.

2.7 Commercial Activities

No non-College commercial activities may be carried out on College premises and no College facilities may be used for such activities, except with the approval of the Governing Body and a commercial agreement put in place, if appropriate. The Bursar should be consulted in such circumstances.

3.0 Income

3.1 Budgets

Each Budget Holder is required to participate in the budgeting process for the forthcoming financial year as required by the Bursar. The Budget Holder is required to submit income and expenditure plans to the Bursar (copied to the College Accountant) in accordance with the budget timetable as approved from time to time.

3.2 Income

3.2.1 Heads of Department who receive income from the sale of goods or services are responsible for establishing procedures to ensure that all sales are authorised and are made only to acceptable credit risks. Invoices must be prepared for all goods or services supplied and must be properly recorded and processed. Procedures must also be in place to follow up overdue accounts effectively. In the event of prolonged (typically three months) non-payment or dispute, the Bursar should be informed.

3.2.2 *Payments in cash:* In consideration of the Money Laundering Regulations 2007, Heads of Department must ensure that where payment is received in cash, the amount received must not exceed the cash equivalent of Euro 15,000 for any single transaction concerning the sale of goods.

3.2.3 **Tax:** The liability to tax of all goods and services supplied must be established and tax charged and accounted for as appropriate. When a new income-generating activity is set up, the College Accountant must be consulted beforehand in order to advise on VAT implications and on whether the activity constitutes trading which might be subject to Corporation Tax. The Bursar may direct that the activity be channelled through a subsidiary company (see 2.6 above).

3.2.4 **Pricing:** It is College policy to assess the full cost to the College when determining the price to be charged for residences, catering, conferences, and any other services to external customers. The full cost must be recovered unless, unusually, the Bursar gives prior permission to do otherwise having regard to the particular circumstances. All Fees and Charges are approved annually by the Finance Committee, having regard to the deliberations of other committees as appropriate and subject to ratification by the Governing Body. Anyone setting a price is responsible for ensuring that it makes due allowance for overhead costs and that they are aware of the extent, if any, of any subsidy from other College resources, and that they can justify any subsidy. Advice is available from the Bursar.

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3.2.5 Sales to employees, members of the College, or other customers must be at a rate that covers the full cost to the College. If, exceptionally, this is not the case, the transaction must be approved in writing by the Bursar. Any sales made at undervalue (including where no charge is made) to employees or their families must be recorded and reported as a taxable benefit at the end of the tax year.

3.2.6 Staff must ensure that appropriate charges are made for the use of College premises and facilities for non-College purposes. Advice is available from the Bursar.

3.2.7 **Invoicing:** Invoices must be raised in the name of Clare Hall, showing the College's VAT number. All invoices must be raised by the College Accountant, unless express dispensation is given by the Bursar. Invoices must be raised promptly (not more than one month subsequent to the transaction to which they relate) and must comply with the VAT regulations. Invoices must be raised in sterling for settlement unless the Bursar has agreed otherwise.

3.3 Donations, Bequests, and Trust Funds

3.3.1 All donation income is to be recorded in the donation accounts and reported regularly to the Finance Committee and with the Development Committee. The Bursar will review all donation accounts annually and make recommendations about their use to the Finance Committee. Donations and bequests intended by the donor or benefactor to be contributions to existing Trust Funds will be transferred to that Trust Fund as at the end of the financial year in which they are received. Restricted donations given in response to specific appeals will be accumulated until adequate funds exist for the purpose of the appeal. Restricted donations and bequests given for a purpose specified by the donor or benefactor may only be accepted if the purpose is appropriate and supports the College's educational and charitable objectives. The College will only accept donations which accord with College and University policy. Unrestricted donations and bequests will be designated by the Governing Body on the advice of the Finance Committee for use bearing in mind the College's general obligation to balance the needs of present and future generations of beneficiaries.

3.3.2 The Bursar is responsible for ensuring that funds are used for proper purposes as detailed within the rules of the specific fund and within the scope of the College's general charitable purposes.

3.4 Unsolicited Gifts

3.4.1 An unsolicited gift is defined as an approach from a potential benefactor to gift money or a tangible asset to the college for a specific purpose that the donor has identified. The College needs to make policy decisions on how the approach, the negotiations, and the offer of the gift are to be considered by the Trustees of the College (i.e. the Fellows). The definition of 'gift' used in this document excludes legacies, for which different considerations will apply.

3.4.2 The Development Office will handle potential gifts to the value of less than £10,000 without reference to other Committees. The President shall have discretion both to decide the matter and to determine if College Officers or Committees need to be included in the considerations. For each individual case the President may choose to delegate to an appropriate Fellow the power to determine the matter.

3.4.3 Potential gifts of more than £10,000 will be considered by the Development Office as the Committee that the President deems to be the appropriate Committee to advise the Council and Governing Body.

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3.4.4 A permanent endowment to fund a recurrent event in perpetuity (e.g. a named lecture) requires a donation to the endowment of at least 30 times the proposed annual expenditure. It would be unusual for the College to accept a gift of less than £100,000 permanent endowment of a restricted fund, except for the provision of named prizes or bursaries for students.

3.4.5 By making a recommendation to the Governing Body to accept a gift, the Committee concerned must be satisfied that:

- (i) The gift is an appropriate one for the College to accept
- (ii) Acceptance of the gift would materially enhance the College
- (iii) The College is able and willing to comply with the wishes of the donor.
- (iv) The full costs of meeting all of the donor's wishes and the College's aspirations can be met from the donation and, if agreed by Council and Governing Body, a properly budgeted additional provision from the College resources. In the case of tangible objects the costs should include any special provision for display, maintenance, insurance, and security.
- (v) The College can give due recognition to the benefactor.

3.4.6 Every donation of more than £1,000 in money or value will be reported to the Governing Body. A permanent record of donations will be made in a Register of Benefactors. An annual listing of benefactions will be printed in the College Review.

3.5 Cash and Banking Arrangements

3.5.1 **General:** College income comprises all monies receivable by the College. All College income must be paid into a College bank account and properly accounted for, and all College expenditure must be paid from a College bank account. Departments have no authority to open separate bank accounts for any activities. All bank accounts shall be in the name of the College. Where possible, the duties of receiving and recording Income shall be separated. Where this is not possible, there will be regular independent checks.

3.5.2 Except in the College bars, all sales to members in residence should normally be charged through members' bills.

Each Head of Department who receives cash or cheques is responsible for establishing procedures to ensure that:

- all receipts to which the College is entitled are received;
- all receipts including BACS receipts, are properly accounted for and recorded;
- all receipts are banked intact, at the latest by the next business day following receipt and for sums in excess of £2,000 on the same day. Written dispensation from the Bursar is required for this limit to be increased and will only be given if it is operationally justified and to Departments with suitable security arrangements;
- cash received is secure until banked and disbursements must not be made from cash received;
- all cheques, postal orders, cash, etc. are promptly banked intact (i.e. complete).

3.5.3 Cash must be emptied from laundry equipment, vending and other machines, payphones, etc. on a regular basis, and systems must be in place to ensure that all cash from such machines is counted immediately in the presence of at least one other member of staff and properly safeguarded until such time as it can be banked. The following points must be observed:

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- Cashing of personal cheques from cash takings / receipts is not permitted.
- All cheques received by departments shall be made payable to 'Clare Hall'.
- The postal service and University Messenger Service must not be used to send cash.
- Remittance advices and, where appropriate, financial coding details must accompany all receipts advised to the College Accountant.

3.6 Debt Collection and Write-Off Procedures

3.6.1 **Debt Collection:** Departments are responsible for credit control and for debt collection in respect of invoices issued to third parties. Heads of Department must ensure that proper procedures are in place to monitor all debts and to follow up on overdue accounts and must advise the College Accountant of any debts considered irrecoverable. A debt is created whenever a credit sale is made.

3.6.2 Any legal action to recover monies due must be initiated or authorised by the Bursar.

3.6.3 **Write-Off Procedures:** Uncollectible debts will be an expense against the departmental budget. Bad debts may only be written off with the Bursar's approval.

3.7 Student Debt

When a student is in debt, either in relation to University/College fees or his or her College bill, the appropriate Tutor is to be informed by the College Accountant. Decisions on the recovery of overdue debts from students will be taken jointly by the Tutors/Senior Tutor and Bursar.

4.0 Investment

4.1 The Investment Portfolio

4.1.1 The Finance Committee, on behalf of the Governing Body, arrange for the long-term investment of funds and endowments of the College.

4.1.2 The Governing Body, on advice from the Finance Committee, shall approve the appointment of investment managers and bankers and the terms on which they operate.

4.2 Deposit Accounts

The Deposit Account may be used to invest accumulated funds in the short term. The rate of interest credited to fund accounts will be set by the Bursar.

5.0 Taxation

5.1 Heads of Department must exercise all reasonable care in ensuring 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 College Accountant must be consulted.

5.2 Any taxable benefits will be paid through the payroll and included by the College Accountant in P11D returns. Except with the approval of the Bursar and the College

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Accountant, no payments of any kind should be made to individuals other than through the payroll.

6.0 Expenditure

6.1 Expenditure

6.1.1 Budget Holders are authorised to incur expenditure within the limits laid down through Guidance explained contained in the annual Operating Budget and the Budget Planning document. They are responsible for ensuring that monitoring and control arrangements are adequate to prevent over-commitment of expenditure.

6.1.2 It is the responsibility of the Budget Holder to approve expenditure for items included in the budget up to amounts agreed with the Bursar. The Budget Holder must ensure that budgets are not overspent. A Budget Holder may devolve authority for expenditure up to a limit agreed in writing by the Bursar.

6.1.3 Budget Holders are required to keep their expenditure within the resources available to them.

6.1.4 Goods and services should 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 College, and sufficient funding exists.

6.1.5 Heads of Department are responsible for establishing procedures to ensure that goods and services are ordered only in required quantities of suitable quality at the best terms available (taking account of the need to balance quality and price and to avoid any extravagance), and after appropriate requisition and approval.

6.1.6 In purchasing any articles or services, regard shall be had to health and safety and relevant Quality standards. Heads of Department are required to endeavour to acquire items presenting least risk in terms of Health and Safety and Environmental Protection.

6.1.7 All staff involved in procurement should make themselves aware of further advice on best procurement practice as explained in the University's procurement procedures, which can be found at:

<http://www.admin.cam.ac.uk/offices/purchasing/guides/index.html>

6.1.8 These are also relevant to the College. In particular, the following advice should be followed:

Obtaining Competitive Bids: *Value for money in purchasing is normally demonstrated through competition.* For many routine purchases, competitively tendered purchase agreements will already be in place through University processes.

There is no need to seek quotations when using such purchase agreements for low value items (up to £500). Where no suitable purchase agreements are in place, the

following table gives the procedure that should be followed to obtain appropriate competitive bids when obtaining goods, services or construction works. If there is any reason to believe that offers which have been received are not competitive, further offers must be obtained.

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Procedure	Threshold Limits (before VAT)
No quotes required	<£500
Telephone/web quotes	£500 - £1,000
At least two fax/email quotes	£1,000-£10,000
At least two written quotes	£10,000-£50,000
Tenders	>£50,000

EU Thresholds (updated biennially) as at January 2016:

- goods and services > £106,047 (2014 £172,514)
- works > £4,104,394 (2014 £4,322,012)

6.1.9 The University Purchasing Policy provides essential definitions, instructions and procedural guidance. Draft tender and quotation documents and instructions on receiving, opening and recording bids are available from the University Central Purchasing Office website at:

<http://www.admin.cam.ac.uk/offices/purchasing/>

6.1.10 Goods and services will not normally be purchased from College members or employees unless the terms can be demonstrated to be comparatively favourable to the College and the purchase has been authorised in the usual way.

6.1.11 **Ordering Procedures:** Purchase orders should be made on a regular and timely basis, using, where possible, fax, phone or on-line for delivery to College. Staff should aim to minimise the need to leave the premises to shop for supplies.

6.1.12 Official purchase orders must be assigned a sequential College order number for all purchases, This will be from a sequentially numbered College order form, from a pre-printed pad or booklet, or recorded electronically on a department maintained spreadsheet. Each Department should have only one book of order forms or spreadsheet in use at any one time. Stocks of replacement books will be maintained by the College Accountant. Books and spreadsheets should be available for inspection by college auditors if required during the annual audit. Used books will be retained by the College Accountant for inspection by the Auditors.

6.1.13 Authority to raise and to approve purchase orders is as set out in Annex 2. Orders must state the nature, quantity, and, where possible, the price of goods and services to be provided, and refer to the application of the College's terms and conditions of purchase. The copy of each purchase order retained by College should also include a record of the purpose of the purchase e.g. to replenish stock, for a particular project, etc.

6.1.14 College credit cards can be used when there is no effective or practical alternative for example trading websites and travel arrangements. The authorised card holders are shown at Annex 1. Normal procurement limits an authorisation procedures also apply to credit card purchases

6.1.15 Procurement projects valued in excess of £50,000 shall be carried out in consultation with the Bursar to ensure compliance with any relevant legal and contractual requirements. In addition, orders/projects in £10K-£50K range need to be signed off by Bursar before a quote is accepted.

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6.1.16 **Receipt of Goods:** All goods must be checked on receipt at College to ensure that they accord with order requirements. Unless the goods have been fully checked, any Goods Received Note must be endorsed "received unchecked" before it is signed by the receiver and must be retained as part of the College's accounting records.

6.1.17 Where goods are received at the Porters' Lodge, the Porters are responsible for their safekeeping until they are collected by the Department which has ordered them.

6.1.18 **Invoice Processing:** Procedures must be in place to ensure that goods and services are properly ordered, received and inspected as acceptable before invoices are authorised for payment. Invoices must be checked, recorded and approved for payment by authorised signatories (see Annex 1).

6.1.19 Departments must ensure that invoices are processed for payment in accordance with the agreed payment terms, taking advantage of early settlement discounts when appropriate. Advice from the College Accountant must be sought for payments exceeding £1,000 under early settlement terms. Payment before receipt of goods or services (pre-payment terms) may be made only with the approval of the Bursar.

6.1.20 **Authorisation Procedures:** The list of authorised signatories must be kept up-to-date and changes notified to the College Accountant.

6.1.21 **Cheques:** All cheques drawn on the College's account must bear the signature of the Bursar or other authorised signatory (see Annex 1).

6.1.22 **Petty Cash Arrangements:** A petty cash float normally up to a maximum agreed in writing by the Bursar, may be provided to Departments to defray minor expenses exceptionally incurred by College employees on College activity.

6.1.23 Departments are responsible for the security of the float and for ensuring that all expenditure is properly supported and authorised. Other than payment to casual waiting or bar staff, as authorised by the College Accountant, no petty cash may, in any circumstances, be used to make payments to individuals (e.g. payments to contractors) or external suppliers for services rendered. Departments are required to certify their petty cash float at the financial year-end.

6.1.24 Petty cash floats must not be used for personal expenditure even if the intention is to reimburse the float later.

6.1.25 Expenses must be claimed on an expense form and will be reimbursed by cheque or BACS. Exceptionally, payments for expenses may be made from petty cash and must be supported by a receipted voucher and the claimant receiving reimbursement must sign for receipt of monies. The member of staff responsible for the petty cash float must ensure that the records are always up to date.

6.1.26 **Foreign Currency:** Advice on foreign currency payments and receipts must be sought from the College Accountant. Any bank charges and exchange rate differences will be a cost to the Departmental budget.

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6.2 Travel and Subsistence: Claims for Reimbursement

6.2.1 Travel and subsistence reimbursement claims must be made on College claim forms or other forms approved by the Bursar. Rates of reimbursement are set by the Bursar, normally following University guidelines and for ease of reference are currently as follows:

6.2.2 *Travel:*

[1] Staff are required to use the most cost-effective form of transport. This includes, for public transport, purchasing the cheapest available tickets (e.g. the appropriate rail saver or supersaver or the cheapest available flight). Wherever possible business should be arranged so that rail travel can take place in off peak periods. For car travel, using rail or a hire car for long distance travel where the cost of these is cheaper than the mileage which would be claimed. Use of public transport is to be preferred and taxis by exception e.g. late night staff travel; where public transport is not available.

[2] The College will pay a mileage allowance where employees use their car or motorcycle for business travel. Business travel means journeys which employees make to or from a place they have to attend in the performance of their duties but not include any travel from home to a College site. When using a vehicle for business travel the employee must ensure that their personal insurance allows business use of the vehicle.

[3] The rates of mileage are as follows:

Travel by car (irrespective of size) - 45p a mile (currently 40p)

Travel by Motorcycle - 24p a mile

6.2.3 *Subsistence:*

[1] The current subsistence rates are as follows:

	Current (Nov '14)
For part of a day including lunch	£8.75
For part of a day including dinner	£21.00
For part of a day including lunch and dinner	£29.75
For bed and breakfast	£99.00
For bed and breakfast (London rate)	£130.00
Allowance for staying with friends or family	£25.00
The allowance for a complete period of 24 hours outside London	£128.75
The allowance for a complete period of 24 hours in London	£161.00

[2] In all cases reimbursement of expenditure is restricted to the allowance or the amount spent, whichever is the less. There may be occasions when it is not possible to stay within the rates and it is the intention that individuals should not suffer financial loss as a consequence of being required to travel on College business. Therefore, the rates may be exceeded in exceptional circumstances where there is no choice but to exceed the rate (e.g. there is no accommodation available within the preferred rate) or where there is a strong business reason to exceed the rates (e.g. attendance at a conference in a hotel where the

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rates are in excess of the set rates and it is desirable to stay there in order to foster academic relations etc). In such cases, evidence should be retained to support the need to exceed the approved rates.

6.2.4 **Process:** The claims must be;

- For the reimbursement of actual expenditure incurred on College business and in accordance with the approved rates.
- Accompanied by supporting vouchers for the cost of accommodation, food, and other items of expenditure.
- In respect of vehicles which are adequately insured, including insurance for business use when an owner's vehicle is being used for travel on College business.

6.2.5 **The following conditions apply to travel and subsistence expenses:**

- Subsistence expenses will only be paid where the employee is required by the College to be away from his or her normal place of work.
 - Employees cannot be reimbursed for the cost of travel to and from their normal place of work otherwise than in exceptional circumstances or in the case of authorised call-outs, in which case approval by the Bursar is required.
 - The College will reimburse the cost of business calls made on employees' mobile phones and the cost of rental on such proportion as reflects use of the phone or as otherwise agreed in advance by the Bursar.
 - No one shall authorise reimbursement of his or her own expenses. Claims should, whenever possible, be approved by an employee senior to the claimant. If it is impracticable for senior staff to authorise claims, the Bursar may approve appropriate alternative arrangements.
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- Advances may be granted at the discretion of the Bursar. Requests for advances should be made on a College expense claim form giving details of expected expenses and a breakdown of the advance required.
 - Claimants must submit full documentation promptly, and the process of accounting for the claims against advances must be completed within one month of expenditure. Advances must not be outstanding for more than two months.
 - The College Accountant is responsible for maintaining such records as are necessary for the completion of annual returns for taxable benefits.
 - In case of doubt as to what may be a reimbursable expense, advice should be obtained in advance from the Bursar or the College Accountant.

6.3 Entertaining

6.3.1 Entertaining should whenever possible and appropriate be carried out in the College.

6.3.2 Entertainment expenditure must be an appropriate use of College money and in accordance with relevant Statutes and Ordinances. Claims must include details of those entertained, and the purpose of the entertainment.

6.3.3 *Definitions:*

The definition of entertainment includes meals with:

- [1] external parties where the purpose of the meal is to recognise their contribution to the College (for example a meal given to thank an external speaker);
- [2] potential sponsors of research or donors;

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- [3] representatives of other institutions or bodies who are engaged in or contemplating collaborative work with the College;
- [4] individuals where the purpose is to improve public relations;
- [5] current sponsors in the course of reporting progress against their gift or endowment;
- [6] individuals who will be able to positively influence the policies of other significant bodies (e.g. funding organisations) towards the College;
- [7] official visits;
- [8] prospective students or prospective employees (exceptionally);

6.3.4 Costs:

- [1] The cost must be reasonable and will not normally exceed evening meal subsistence rates
- [2] The primary purpose of the entertainment must be to entertain non-employees (including students) i.e. the simple presence of non-employees is not enough to justify a claim, their presence must be the main purpose of the event
- [3] There must a clear benefit to the College from providing the entertainment
- [4] The provision of entertainment must not be seen to bring the College into disrepute.
- [5] The entertainment should not include anything other than the provision of food, a modest amount of alcohol and any incidental costs such as a taxi to the restaurant.

6.3.5 Entertainment allowances for specific College Offices are approved from time to time by the Governing Body on the advice of the Finance Committee. The College Accountant will send claim forms annually to the holders of those College Offices.

6.3.6 Expense claims for other entertaining, which must be supported by receipts, must be authorised by a College Officer after consultation with the Bursar. Authorisation and submission of a claim for payment for entertaining is a declaration that the cost was incurred wholly, necessarily, and exclusively for College purposes.

6.3.7 In authorising entertainment expenditure, College Officers are also undertaking that, if in any case tax is subsequently levied, any cost which is not recoverable from the individual beneficiaries will fall on the budget of the Department concerned.

6.4 Salaries and Staff Appointments

6.4.1 All College staff shall have a contract of employment in the standard form approved by the Governing Body. Variations to the standard form may only be made with the approval of the Bursar.

6.4.2 The only payments which may be made to College employees are those in accordance with approved College salary scales and such other payments as have been specifically approved by the Bursar.

6.4.3 Heads of Department must supply Human Resources with such information as may be required for the preparation of employment contracts.

6.4.4 If it is proposed to employ a citizen of a country outside the European Union (EU), it is the responsibility of the Head of Department, or other authorised signatory to inform Human Resources so that legal eligibility for work can be assured.

6.4.5 The College Accountant 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 College to seek permission for the specific employment proposed.

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6.4.6 Any requests by the College Accountant in relation to taxation or National Insurance matters must be complied with to ensure that the requirements of HMRC and the Department for Work and Pensions are met.

6.4.7 Casual staff may be employed in the Catering, Housekeeping and Maintenance Departments on the authority of the Head of Department, provided that such appointments are within the Budget specifically allocated by the Bursar for this purpose. Any casual staff requirements additional to the Budget must be referred to the Bursar.

6.5 Authority for Entering into Contracts

Heads of Department have authority to enter into contracts in the course of the ordinary business of their Department in accordance with their Departmental budget, and subject to the Statutes and regulations of the College including these Financial Regulations. They do not have authority to enter into any contract which is illegal or which does not comply with obligations laid down by the Inland Revenue, HM Customs and Excise, or other government authorities.

Departmental budgets may be used only for the purposes approved by the Finance Committee and in the course of preparation of the College's Budget or for such other purpose as the Bursar may approve during the financial year.

The Bursar is authorised under the Statutes to enter into property related contracts on behalf of the College. The Bursar can also advise when it is necessary to use the College's official seal for contracts.

Heads of Department should obtain the advice of the College Accountant in the first instance if they are unsure of their authority to enter into a particular contract.

7.0 Assets / Liabilities

7.1 Stores

7.1.1 Heads of Departments are responsible for keeping full, proper and correct records of any stock. A year-end stock-take must be performed annually by arrangement with the College Accountant in addition to any regular interim stock-takes.

7.1.2 Heads of Department are responsible for establishing procedures to ensure that stock is ordered only in appropriate quantities of suitable quality at the best terms available, after appropriate requisition and approval. They are responsible for establishing procedures to ensure that stocks are adequately protected against loss, misuse, or obsolescence.

7.1.3 Stocks of all items should be maintained at the minimum level to meet departmental requirements.

7.1.4 Heads of Department are responsible for ensuring that procedures are in place to account for all stock movements and the correct allocation to the appropriate user.

7.1.5 Procedures should be in place to ensure that stockholdings are regularly reviewed for obsolete stock. In such cases, obsolete stock should be disposed of at an appropriate time so as to obtain the best value possible for the College.

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7.1.6 Departments must ensure that best value is obtained for the sale of any goods. The College Accountant should be consulted for advice regarding the VAT and taxation implications.

7.1.7 Goods should be valued during the year and at the year end at the lower of cost or net realisable value. Details of all goods must be provided to the College Accountant for inclusion in the year end accounts.

7.2 Equipment

7.2.1 Heads of Department are responsible for establishing procedures to ensure that all items of equipment are adequately protected against loss and misuse and that all purchases and disposals of equipment are properly authorised, accounted for, recorded, and entered on the appropriate register.

7.2.2 Assets bought by the College remain the property of the College until sold or destroyed. Any proceeds from the sale of equipment will usually be credited to the account of the Department concerned. The Bursar and College Accountant must be informed of the details of equipment purchases or disposals (including irrecoverable VAT).

7.2.3 When equipment is loaned, Departments should consider the need for the borrower to arrange insurance cover and have procedures in place to ensure that it is returned in good condition.

7.2.4 Departments must not enter into leasing or hire purchase lease contracts for equipment without taking the advice of the Bursar (see section 5.4 below). The College Accountant should be consulted for advice regarding the VAT and taxation implications of asset acquisitions and disposals.

7.3 Property

7.3.1 **Operational Property:** The approval of the Finance Committee, acting in accordance with the strategic aims of the College as agreed by the Governing Body, is needed for any purchase of land or property (whether freehold or leasehold) for the operational use of the College.

7.3.2 **Investment Property:** The approval of the Finance Committee is needed for any purchase of land or property (whether freehold or leasehold) for investment purposes.

7.3.3 All contracts for the purchase of land or property (whether freehold or leasehold) and all sales of existing land and property must be executed by the Bursar on the authority of the relevant Committee's approval as above.

7.3.4 College operational property is maintained by the Maintenance Department, acting in accordance with the long-term maintenance plan approved by the Buildings Committee and included in the College Annual Budget.

7.4 Borrowing Powers and Guarantees

Any borrowings by the College must be arranged by the Bursar acting with the approval of the Finance Committee and the Governing Body.

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7.5 Intellectual Property

Any Fellow wishing to exploit any invention, discovery, patent or process of manufacture in which the College has an interest should consult the Bursar.

7.6 Insurances

7.6.1 The Bursar must ensure that the College has adequate insurance cover.

7.6.2 Staff must take all necessary steps to prevent losses and accidents and ensure that the Bursar is advised immediately of any notifiable events for insurance purposes or contingent liabilities. No additional liabilities should be accepted voluntarily on behalf of the College and third party claims must be passed to the Bursar without comment to the third party to ensure that the College's legal position is not compromised or its insurance violated.

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ANNEX 1

AUTHORISED CHEQUE SIGNATORIES

The President

The Bursar

The Domestic Bursar

The College Accountant

AUTHORISED CREDIT CARDHOLDERS

The President

The Domestic Bursar

The College Accountant

The Development Director

The Estates Manager

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ANNEX 2

LIMITS OF AUTHORITY FOR AUTHORISING PURCHASES

Purchase orders and invoices may be authorised up to the following limits:

Kitchens and Bar

All purchases, other than wine, are authorised by the College's catering contractor, **Lexington** within Budgets agreed between that Company and the Bursar.

Other Departments

- (a) Purchases within budget and up to £5,000: Head of Department to sign
- (b) Purchases outside of budget or over £5,000 : Bursar to sign.
- (c) Maintenance purchases within Budget to be signed by Head of Department subject to a monthly written report to the Domestic Bursar.

Library

- (a) Bursar to sign all invoices over £500
- (b) College Librarian to sign up to £500

Tutorial and Admissions

- (a) Tutorial Secretary may sign invoices up to £1,000.
- (b) Invoices over £1,000 must be counter-signed by the Senior Tutor.
- (c) Hardship grants are to be signed as approved by the Senior Tutor.

College Office

- (a) College Office personnel may sign invoices up to £1,000 for routine purchases.
- (b) Invoices of up to £5,000 may be authorised by the College Accountant.
- (c) Invoices over £5,000 to be signed as authorised by the Bursar.

Wine Cellar

All purchases of wine are authorised by the Wine Steward in accordance with cost guidelines agreed between the Bursar and the Wine Steward.

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ANNEX 3

RECEIPT OF GIFTS AND HOSPITALITY

1.0 Introduction

1.1 The College does not permit its staff to accept or to offer personal benefits in order to procure services or gain influence. To do so is not only unacceptable, it is also illegal in terms of the Bribery Act 2010. Charities need to be aware of the implications of the Act particularly internationally where the risk of bribery and corruption is arguably higher. This should be read in conjunction with Anti-Bribery & Corruption practice at Annex 4.

2.0 Purpose

2.1 The purpose of this practice note is to provide guidance to staff and Fellows on the action that should be taken in the event that they are offered gifts and/or hospitality by external organisations or have personal, financial or other beneficial interests in any transaction between the College and a third party or, when they are in a position which requires them to offer gifts/hospitality.

2.2 This policy is designed to protect staff and Fellows from accusations of bribery and corruption and thereby also protect the reputation of the College. In the case of third parties acting on the College's behalf, all contracts and agreements make explicit reference to the College's requirement under the Act to ensure that no-one associated with it tries to obtain or retain business for the College through bribery.

3.0 Scope

3.1 This policy applies to all College staff, Fellows and third parties where they are offered gifts and/ or hospitality and students accepting gifts and/or hospitality whilst undertaking business on behalf of the College.

4.0 Accepting Personal Gifts and Hospitality

4.1 Receipt of Gifts

No monetary reward or equivalent can be accepted from outside individuals or organisations, except for gifts with a value of less than £75 or a gift of similar worth outside the UK. If there is any doubt as to whether the acceptance of such an item is appropriate, staff should decline the gift or refer the matter to the Bursar. If unsolicited gifts of a value of more than £75 arrive from contractors they should be returned with a polite explanation that the College's Policies do not allow their acceptance. If staff have any doubts about whether an offer of a gift should be refused on the grounds that refusal may cause offence, they should consult the Bursar.

Should receipt of a gift of a value of more than £75 be unavoidable, the Bursar will report receipt to the Council; the gift should then normally be recorded as College property or sold (the proceeds going into general College funds). It is expressly prohibited for a member of staff to accept any gift or benefit from an organisation that is actively involved in a tender process at the College. This prohibition commences at the point that an invitation to tender is published and extends to a period 3 months after a contract has been awarded. Any offers of gifts or benefits during this period must be refused.

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4.2 Receipt of Hospitality

It is accepted that, in the course of their normal duties, Fellows and staff will sometimes receive conventional hospitality including, but not limited to:

- [1] Working meals including meals taken in the course of meetings or training schemes.
- [2] Meals provided by other organisations during fact finding or information sharing events.
- [3] Attendance at formal functions as a representative of the College; a formal function is an event promoted by an organisation, usually ceremonial in nature, for which an official invitation is issued to and accepted on behalf of the College.
- [4] Attendance at formal social functions in relation to which invitations have been issued to a number of staff members;
- [5] Attendance at information gathering or sharing events such as meetings with representatives of other Colleges and organisations for the purposes of sharing good practice.
- [6] Fellows and staff may accept meals and equivalent hospitality only in the normal course of business and only when the hospitality is appropriate and proportionate. What is reasonable should take into account the nature of the event, and the College representative should ensure the hospitality does not compromise them in any way. In general a meal, moderate associated activity and refreshment would be regarded as acceptable. The frequency and scale of hospitality should not normally be greater than the College would be likely to provide in return. Particular care should be taken when offered any form of hospitality from a person or organisation which has, or is hoping to have, a contractual relationship with the College. A member of staff should not accept hospitality from an organisation that is actively involved in a tender process at the College, except where this is provided as part of a fact finding visit or meeting. If staff have any doubt about whether to accept any hospitality offered to them they should refer the matter to the Bursar who in turn may discuss it with the President.

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ANNEX 4

ANTI-BRIBERY AND CORRUPTION

1.0 Introduction

1.1 Clare Hall values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of College staff as well as Fellows acting on behalf of the College are key to maintaining these standards.

1.2 Following the introduction of The Bribery Act 2010 which came into force on 1 July 2011, College practice in relation to bribery and corruption applies strictly to all staff, Fellows, agents, consultants, contractors and to any other people or bodies associated with the College within all regions, areas and functions. Awareness of the implications of the Act is important particularly in relation to international conduct where the risk of bribery and corruption is arguably higher.

2.0 Understanding and recognising bribery and corruption

2.1 Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act in a way that a reasonable person would consider to be dishonest in the circumstances.

2.2 Bribery can be defined as offering, promising or giving a financial (or other) advantage to another person with the intention of inducing or rewarding that person to act or for having acted in a way which a reasonable person would consider improper in the circumstances. Corruption is any form of abuse of entrusted power for private gain and may include, but is not limited to, bribery.

2.3 Bribes are not always a matter of handing over cash. Gifts, hospitality and entertainment can be bribes if they are intended to influence a decision.

3.0 Penalties

3.1 Under the Bribery Act, bribery by individuals is subject to legal penalties. If the College is found to have taken part in the bribery or is found to lack adequate procedures to prevent bribery, it too could also face an unlimited fine.

3.2 A conviction for a bribery or corruption related offence would have severe reputational and/or financial consequences for the College.

4.0 Clare Hall Practice

4.1 Clare Hall will not tolerate bribery or corruption in any form. The College prohibits the offering, giving, solicitation or the acceptance of any bribe or corrupt inducement, whether in cash or in any other form:

[1] to or from any person or company wherever located, whether a public official or public body, or a private person or company;

[2] by any individual employee, Fellow, agent, consultant, contractor or other person or body acting on behalf of the College.

[3] in order to gain any commercial, contractual, or regulatory advantage in any way which is unethical or to gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

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4.2 It may not always be a simple matter to determine whether a possible course of action is appropriate. If you are in any doubt as to whether a possible act might be in breach of this policy or the law, the matter should be referred to the Bursar.

4.3 The College will investigate thoroughly any actual or suspected breach. Employees found to be in breach of this practice may be subject to disciplinary action which may ultimately result in their dismissal.

5.0 Key risk areas

5.1 The key risk areas include:

[1] Excessive gifts, entertainment and hospitality: can be used to exert improper influence on decision makers. Gifts, entertainment and hospitality are acceptable provided they fall within the College's Entertainment Policy.

[2] Reciprocal agreements: or any other form of 'quid pro quo' are never acceptable unless they are legitimate business arrangements which are properly documented.

[3] Actions by third parties for which the College may be held responsible: can include a range of people i.e. agents, contractors and consultants, acting on the College's behalf. Appropriate due diligence should be undertaken before a third party is engaged. Third parties should only be engaged where there is a clear business rationale for doing so, with an appropriate contract.

[4] Record keeping: we seek to ensure that we have robust controls in place so that our records are accurate and transparent.

6.0 Employee responsibility and how to raise a concern

6.1 The prevention, detection and reporting of bribery or corruption is the responsibility of all employees throughout the College. If you become aware or suspect that an activity or conduct which is proposed or has taken place is a bribe or corrupt, then you have a duty to report this.

6.2 Any such incidents should be reported in accordance the College whistle blowing policy which can be found in the Employee Handbook labelled 'Making a Protected Disclosure'.