

THE UNIVERSITY OF KENT

FINANCIAL AUTHORITY LIMITS

(Approved by Council with effect from 1/8/2009 and including updates to authorisation approved by the Finance and Resources Committee on 19/3/2010)

1. Background Information

Current financial arrangements include the Financial Regulations, day-to-day oversight of financial transactions by the Finance Office, accurate and timely financial information for managers, detailed monitoring by the Executive Group and budget holders (monthly), by the Finance and Resources Committee (quarterly) and by Council and also risk management and audit procedures.

The six year period from 2003-2009 has seen increased effectiveness, efficiency and value for money in the University's arrangements for financial management. Significant progress has included increased financial devolution, enhanced training and support for budget holders and greater monitoring of financial matters. In the context of enhanced controls and oversight, the changes to financial limits, which go beyond RPI increases, are thought to be without significant risk and to be of benefit in reducing bureaucracy and the speeding up of decision making and financial transactions.

2. Financial Limits

The following revised financial authority limits were approved by Council in July 2009 to take effect from 1/8/2009:

- **Expenditure from approved budgets** (provided this can be met within budgets)

Approval Authority	Approved limits from 1 August 2009
Head of School/Department	£0 - £40k
Delegation: as determined by the Head	£0 - £10k
Deputy Vice-Chancellor (Finance & Commercial Services) or Director of Finance	£40,001 - £200k
Deputy Vice-Chancellor (Finance & Commercial Services) and one of Vice-Chancellor or Deputy Vice-Chancellor	£200,001 →

- **Approval of Capital Projects**

Approval Authority	Approved limits from 1 August 2009
Vice-Chancellor (in consultation with EG*)	0 - £500k**
Finance and Resources Committee (with investment appraisal)	£500,001 - £2m
Council (including investment appraisal)	£2,000,001 →

*EG = Executive Group

**Approvals to be reported to the next Finance and Resources Committee meeting.

- **Increases in Budgets (capital or revenue)** (provided this can be met within the University's Capital or Revenue Budget (as appropriate))

Approval Authority	Approved limits from 1 August 2009
Deputy Vice-Chancellor (Finance & Commercial Services) or Director of Finance	£0 - £50k**
Vice-Chancellor (in consultation with EG)	£50,001 - £250k**
Finance and Resources Committee (Chair and Vice-Chancellor between meetings**)	£250,001 - £1m
Finance and Resources Committee (Chair of Council, Chair of Finance and Resources Committee and Vice-Chancellor between meetings**)	£1,000,001 - £2m
Council (Chair of Council, Chair of Finance and Resources Committee and Vice-Chancellor between meetings***)	£2,000,001 →

**Approval to be reported to the next Finance and Resources Committee meeting.

***Approval to be reported to the next Finance and Resources Committee and Council meetings.

- **Write-off of debtor balances**

Approval Authority	Approved limits* from 1 August 2009
Reported to Finance and Resources Committee for each meeting	Summary of debts over £10,000 and 3 months old (and an aged analysis)
Director of Finance authorised	→£5k
Director of Finance and a Deputy Vice-Chancellor authorised	£5,001 - £10k
Finance and Resources Committee approval	£10,001 →

*for an individual debt incurred by a student or other relevant person/entity such as a user of University services.