

THE UNIVERSITY OF KENT

FINANCIAL AUTHORITY LIMITS WITH EFFECT FROM 1 AUGUST 2017

1. Background

Current arrangements for financial management across the University include the following:

- Financial Regulations and procedures;
- Day-to-day oversight of financial transactions by the Finance Department;
- 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;
- Risk management;
- Audit procedures.

This document provides the financial authority limits, which must be adhered to in the case of all financial transactions. Where appropriate, these limits will be incorporated into finance systems to ensure the correct procedures are followed.

2. Financial Authority Limits

The following revised financial authority limits, which are subject to any requirements of the Financial Regulations, were approved by Council on 30 June 2017 to take effect from 1 August 2017:

2.1 Approval of Budgets

2.1.1 Approval of Capital Project budgets from within the current approved Capital Programme

All Capital Projects with budgets exceeding £250,000 require a documented analysis of the business benefits to be presented at the time of approval. For approvals of budgets exceeding £500,000, a full Business Case is required together with a Financial Appraisal of the options, in line with the current Kent Project Management Framework.

Where a Capital Project has an indicative total budget greater than £500,000 and there is a request for approval of an initial budget in excess of £100,000 to assess options or develop designs and plans, the initial budget should be approved by the Vice-Chancellor in consultation with the Executive Group. This should be accompanied by a Project Proposal (Project Brief / Outline Business Case) in line with the current Kent Project Management Framework.

Any subsequent increase required to capital project budgets will need be authorised in line with the limits below, considered in relation to the **total** project budget required not the value of the increase.

Approval Authority	Approved limits from 1 August 2017
Director of Finance (or their nominees)	Up to and including £250,000
Director of Finance and Senior Deputy Vice-	Over £250,000 and up to

Chancellor and Provost and Senior Deputy Vice-Chancellor and Chief Operating Officer	£500,000
Vice-Chancellor (in consultation with Executive Group)	Over £500,000 and up to and including £750,000*
Finance and Resources Committee	Over £750,000 and up to and including £2m
Council	Over £2m

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

2.1.2 New or increased budgets following consultation with the Director of Finance and taking into account the University's Financial Forecast position as compared to the current University Capital or Revenue Budget

This includes:

- Increases to the current capital programme;
- Net increases in revenue budgets (not funded by additional income).

Approval Authority	Approved limits from 1 August 2017
Director of Finance (or their nominees)	Up to and including £100,000*
Vice-Chancellor (in consultation with EG)	Over £100,000 and up to and including £250,000*
Finance and Resources Committee (Chair and Vice-Chancellor between meetings**)	Over £250,000 and up to and including £1m
Finance and Resources Committee (Chair of Council and Chair of Finance and Resources Committee and Vice-Chancellor between meetings**)	Over £1m and up to and including £2m
Council (Chair of Council and Chair of Finance and Resources Committee and Vice-Chancellor between meetings***)	Over £2m

* Where the overall net revenue budget or capital budget has been increased above existing approved levels, this should be reported to the next Finance and Resources Committee meeting. This should take into account the cumulative position of any new or increased budget approvals.

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

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

2.1.3 Approval of capital / revenue budgets from within the Capital / Revenue General Contingencies

This includes:

- Capital budgets issued from the Capital Programme Contingency;

- Revenue budgets issued from the Revenue General Contingency¹;
- Budgets issued from carry forward reserves.

Approval of budgets from these contingencies or reserves should take into account the University's Financial Forecast position as compared to the current University Capital or Revenue Budget. Any allocations of capital budget from the capital contingency should also take into account the approval authority limits set out in 2.1.1 and the total value of the capital expenditure.

Approval Authority	Approved limits from 1 August 2017
Director of Finance (or their nominees)	Up to and including £100,000
Director of Finance and Senior Deputy Vice-Chancellor and Provost and Senior Deputy Vice-Chancellor and Chief Operating Officer	Over £100,000 and up to and including £250,000
Vice-Chancellor (in consultation with Executive Group)	Over £250,000 and up to and including £750,000
Finance and Resources Committee (Chair of Council and Chair of Finance and Resources Committee and Vice-Chancellor between meetings*)	Over £750,000 and up to and including £2m
Council (Chair of Council and Chair of Finance and Resources Committee and Vice-Chancellor between meetings**)	Over £2m

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

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

2.2 Approval of Expenditure (Purchase orders and Invoices) from an approved budget on a single transaction

2.2.1 Approval of amounts up to £50,000 (provided this can be met within the appropriate budget)

Approval Authority	Approved limits from 1 August 2017
Head of School / Department	Up to and including £50,000
Delegation: to members of staff in Schools / Departments nominated by the Head of the School / Department.	Up to and including £15,000*

* The standard limit is £15,000 but this can be increased up to and including £50,000 for operational reasons with the approval of the Director of Finance.

¹ General Contingency excludes investment budgets already earmarked for allocation in the approved Budget.

2.2.2 Second stage approval for amounts above £50,000 which have been approved in accordance with 2.2.1 above

Approval Authority	Approved limits from 1 August 2017
Director of Finance (or their nominees)	Over £50,000 and up to and including £250,000
Director of Finance (or their nominees) and one of the following: Vice-Chancellor or a Senior Deputy or a Deputy Vice-Chancellor	Over £250,000

2.3 Write-off of Debtor Balances

Approval Authority for individual debts*	Approved limits* from 1 August 2017
Reported to Finance and Resources Committee at least once a year	Summary of debts over £10,000 and 3 months old (and an aged analysis)
Director of Finance authorised*	Up to and including £10,000
Director of Finance and one of the following: Vice-Chancellor or a Senior Deputy Vice-Chancellor*	Over £10,000 and up to and including £15,000
Finance and Resources Committee approval*	Over £15,000

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

2.4 Acceptance of Philanthropic Gifts and Donations in accordance with the University's Acceptance of Gifts Policy

Approval Authority	Approved limits from 1 August 2017
Director of Development and Alumni Relations	Up to and including £50,000
Executive Group member with the Development portfolio, in consultation with the Executive Group	Over £50,000 and up to and including £250,000
Chair of the Finance and Resources Committee and the Vice-Chancellor (and subsequently reported to the Finance and Resources Committee)	Over £250,000 and up to and including £1m
Chair of the Finance and Resources Committee and the Vice-Chancellor and the Chair of the	Over £1m and up to and including £2m

Council (and subsequently reported to the Finance and Resources Committee)	
Chair and Deputy Chair of the Council and the Vice-Chancellor and a Senior Deputy-Vice-Chancellor (and subsequently reported to the Council)	Over £2m

Note: Where the officer designated in 2.1-2.4 above is not available to deal with an item as prescribed above an alternative may act in his / her place as set out in the Finance and Resources Committee's procedures concerning "*Delegation of powers to act on the Committee's behalf*".

30.06.17