

## THE UNIVERSITY OF KENT

### FINANCIAL AUTHORITY LIMITS WITH EFFECT FROM 1 AUGUST 2022

#### 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 Directorate;
- 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; and
- 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were approved by Council on 29 June 2022 to take effect from 1 August 2022: This document will be further updated and superseded in November 2022.

##### 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 to 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 2022
Director of Finance (or their nominees)	Up to and including £250,000
Chief Financial Officer and a Deputy Vice-Chancellor	Over £250,000 and up to £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 Chief Financial Officer 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).

<b>Approval Authority</b>	<b>Approved Limits From 1 August 2022</b>
Chief Financial Officer (or their nominees)	Up to and including £150,000*
Vice-Chancellor (in consultation with EG)	Over £150,000 and up to and including £300,000*
Finance and Resources Committee (Chair and Vice-Chancellor between meetings**)	Over £300,000 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 Contingency<sup>1</sup>;
- 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.

<b>Approval Authority</b>	<b>Approved Limits From 1 August 2022</b>
Director of Finance (or their nominees)	Up to and including £150,000
Director of Finance <b>and</b> - Chief Financial Officer	Over £150,000 and up to and including £300,000
Vice-Chancellor (in consultation with Executive Group)	Over £300,000 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

\* 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 £75,000 (provided this can be met within the appropriate budget)

Approval Authority	Approved Limits From 1 August 2022
Directors of Divisions and Professional Services Directorates	Up to and including £75,000
Delegation: to members of staff in Divisions and Professional Services Directorates nominated by the Director of Division or Directorate	Up to and including £25,000*

\* The standard limit is £25,000 but this can be increased up to and including £75,000 for operational reasons with the approval of the Director of Finance.

### 2.2.2 Second stage approval for amounts above £75,000 which have been approved in accordance with 2.2.1 above

Approval Authority	Approved Limits From 1 August 2022
Director of Finance (or their nominees)	Over £75,000 and up to and including £300,000
Director of Finance (or their nominees) <b>and one of the following:</b> Chief Financial Officer, any Deputy Vice-Chancellor and Vice Chancellor and President.	Over £300,000

## 2.3 Write-off of Debtor Balances

Approval Authority	Approved Limits From 1 August 2022
Reported to Finance and Resources Committee at least once a year	Summary of debts over £25,000 and 3 months old (and an aged analysis)
Director of Finance authorised*	Up to and including £15,000
Director of Finance <b>and one of the following:</b> Vice-Chancellor or the Chief Financial Officer *	Over £15,000 and up to and including £25,000
Finance and Resources Committee approval*	Over £25,000

\* 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 2022
Director of Engagement	Up to and including £50,000

Chief Financial Officer or the Vice-Chancellor	Over £50,000 and up to and including £250,000
Chair of the Finance and Resources Committee <b>and</b> the Vice-Chancellor ( <b>and</b> 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 Council (and subsequently reported to the Finance and Resources Committee)	Over £1m and up to and including £2m
Chair and Deputy Chair of the Council and the Vice-Chancellor and a 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*".

29.06.2022