

Financial Regulations Seminars 2008

Questions & Answers

QUESTION	DIVISION	ANSWER
FIXED ASSETS		
Tracking of Assets: Some departments don't track any item under the value of £10k due to the amount of work they felt was involved.	Fixed Asset Team	Advised they need to tick the track as asset box when processing the invoice for items over £2k if it has a useful life of 1 year or more. Stewardship of Assets is important for many reasons including but not limited to accuracy of accounting, insurance, retention and use of assets within the department. If a department is using iProcurement the tracking of assets is now highlighted at the purchasing stage.
Assets belonging to the sponsor that have reached the end of it's useful life where it is unclear who owns it, but need to be replaced (and often is a different sponsor); How can they proceed?	Fixed Asset Team	Advise the existing sponsor. If the sponsor does not wish to donate the item to the University (which must be documented appropriately and notified to the Fixed Asset Helpdesk) the sponsor must be asked to collect it and the requirement for replacement must be funded from a different source.
Who should notify the insurance section when assets are removed or moved from a department and/or to another department?	Insurance Section	Insurance declarations are made for the contents of University buildings and these declarations must accurately reflect what is in each University building. Therefore departments should notify the Insurance Section of acquisitions, disposals and departmental moves which will result in changes in excess of £1m. In the event of a claim for lost contents insurers will only replace to the value of the contents valuation they have on record for the building where the lost has taken place.
DELEGATION/CONTRACTS		
Is there guidance on signing delegation over to individuals e.g. a standard letter or delegation form?	Finance Division	The Finance Division are in the process of compiling standard letters and forms to assist Heads of Departments when delegating duties to members of staff.
How often should delegation to an individual in the department be reviewed?	Finance Division	Best practice is every 12 months or when there is a change in staff which affects the delegation.
HOD's are not sure what is expected of them when they take on that role. They felt a separate seminar / document / guidance / checklist to give them some assistance would be very welcomed.	Finance Division	This will be looked into once the seminars have finished. On Centre for Personal and Professional Development there is a link 'Information for Research Staff, Leadership Series , Events'. However this does not cover all aspects e.g. Financial Regulations and is aimed at those in a research role. There is a session on Finance but this is more as to how the University is financed rather than applying regulations in the department relating to finance.
When are the delegation guidelines going to be issued?	Finance Division	We hope to issue them before Christmas.
PURCHASING		
The more specific a product the less opportunity for 3 quotes, what should a department do in this scenario?	Central Purchasing Office	You need to be seen going through the steps that you have looked elsewhere and the exemption template is there for that reason. Still contact CPO as they can sometimes do more investigating suppliers. The

		exemption form can be found under http://www.admin.cam.ac.uk/cam-only/offices/purchasing/forms/
If we are buying a computer from MISD can we assume they have done the competitive quotes?	Central Purchasing Office	If they are buying a Dell computer then it is very likely that this will be under our bulk purchase PC contract awarded to Dell for one year. Details of the agreement and others like Apple Macs are available on our preferred supplier website.
Some departments use the web for ordering products as it's cheaper than Preferred Suppliers. Is this allowed?	Central Purchasing Office	Tell CPO if you have an excellent supplier, CPO look at the whole package not just the price, provides consolidated buying power and reduces the financial risk to the University. (they may be offering a discontinued item which may not have as much support if it goes wrong)
When buying books it's not always the best option to go with the preferred suppliers as they take longer and are more expensive.	Central Purchasing Office	This maybe the case sometimes in which you have to review the whole package not just price, but take into account service and delivery times. Contact the CPO and advise them of any issues with preferred suppliers so that they can feed this back to the account manager. The more we buy from preferred suppliers, the more likely we can improve the service expectations.
DEBT MANAGEMENT		
How do we deal with the writing off of debts and is the bad debt provision per invoice?	Accounts Receivable	There are set procedures with regard to who can and how to write off debts and these are clearly laid out in the Financial Procedures Manual, Chapter 8a, Section 5.11 . However please note that the write off limits are incorrect in the FOM following the revision of the financial regulations. The bad debt provision is per invoice.
If we have a very large debt when would the Finance Committee be involved?	Accounts Receivable	Debts between £10,000 - £25,000 need approval from the Director of Finance. Debts over £25,000 will be forwarded by the Director of Finance to the Finance Committee for approval.
What if a department doesn't want to write off a debt, how is it dealt with?	Accounts Receivable	If a department doesn't write off a debt then a bad-debt provision is posted into the General Ledger by the Finance Division at the end of every month once Accounts Receivable has closed for that month. All invoices which are 60+ days past their due date as of the final day of that month have a bad –debt provision posted against them. The Financial Procedures Manual, Chapter 8a, section 5.10 provides detailed information on bad-debt provisions.
P11D		
Do departments need to keep a record of people that attend meals and what is the process with regard to P11D as more guidance is needed.	Tax Section	A record of the attendees must be kept as the cost of the meal may be deemed as a taxable benefit for the employee. Even if no tax is due, the record is required to be maintained as proof of no tax liability. Depts. should use their records to complete the return from payroll sent out in April each year. Finance Division run annual P11d seminars around March/April time and for information about what items are taxable the Expenses and Benefits manual (Chapter 5b of the Financial Procedures Manual) is available on the web. Advice can also be sought from the tax team.
ENTERTAINMENT		
If a department holds a start of term induction party for staff and students, should they keep a list of everyone that has attended.	Tax Section	If the party is open to ALL staff and the cost is not more than £150 per head (per tax year) then no liability should arise from this particular event but the dept need to keep records to evidence this in case it is ever challenged.
CREDIT CARDS		

Do Departments use credit cards and what guidance is available on how to obtain a departmental credit card and a credit card for an employee?	Transaction, Processing and Control	Credit cards are issued if it is deemed the only effective method of payment in the proper performance of duties and some departments operate a single card for online and overseas purchases. Chapter 6, Non-Pay Expenditure in the Financial Procedures provides clear information and guidance on the application process and the use of the credit card.
Some companies won't accept Purchase Orders as they are an on-line company, is it acceptable to use the departmental credit card?	Transaction, Processing and Control	You can use a departmental credit card if it was intended for that use when the application was granted. If it wasn't then you must contact Central Purchasing Office and request whether the card can now be used for that purpose. University's purchasing policy must be followed. Chapter 6, Non-Pay Expenditure in the Financial Procedures provides clear information and guidance on the application process and the use of the credit card.
Personal Credit Cards are used in restaurants in term times for business entertainment and the expense is re-claimed. Is this acceptable?	Transaction, Processing and Control	Yes, however normal business entertainment rules apply. Financial Procedures Manual, Chapter 5b, Expenses & Benefits , provides detailed information as to the rules with regard to business entertainment. Further information can also be found in Schedule 3 of the financial regulations.
TRAVEL		
What documents need to be gathered to support travel claims?	Transaction, Processing and Control	All expense claims must be supported by adequate evidence e.g. receipts, invoices or bills, that the cost has actually been incurred. If genuine problems occur in obtaining evidence e.g. in less developed countries, then contact Head of Transaction, Processing and Control to discuss. Detailed information on expenses can be found in the Financial Procedures Manual chapter 5b .
Guidance on departmental discretion on approving travel claims	Transaction, Processing and Control	Detailed guidance on authorisation of claims can be found in the Financial Procedures Manual, Chapter 5b, section 2.1.5 . It clearly states that: <ul style="list-style-type: none"> • No one shall authorise reimbursement of his or her own expenses. • Claims should, whenever possible, be approved by an employee senior to the claimant. • Where it is impractical for senior staff to authorise claims, the Head of Department can make appropriate alternative arrangements, which must be authorised in writing • A register of authorised signatories and their corresponding levels of authorisation
NON-UNIVERSITY ACTIVITIES - USE OF PREMISES, FACILITIES		
Would a department need to consult EMBS for every single event they run even if they are not Cambridge University staff or is it just for on-going events regardless of whether it's for University staff or not?	EMBS	All events must be referred to EMBS regardless of whether they are for University staff or not, and this will therefore cover on-going events as EMBS would have been consulted prior to the event.
EMBEDDED COMPANIES		
Do the rules on embedded companies apply to any external body occupying University space e.g. MRC, NHS.	EMBS	Yes. The Financial Regulations apply to all organisations occupying space in University owned buildings.
STAFFING		

The wording of e-mail correspondence when liaising with a prospective new employee.	Finance Division	When liaising with a prospective employee with regard to a position you must be careful what you write so as not to give the impression that work is being offered.
Contracts of Employment. The Financial Regulations section 30 seem to conflict with HR Policy on redundancy and funds available to support the post.	Human Resources	There is no conflict. When employing staff on a two year contract funding must be available for the contract and possible redundancy payment. If after the two years funding is no longer available and alternative employment is not sought elsewhere within the University then staff will be entitled to claim a statutory redundancy payment. HR Policy states: <i>3.7 Contract research staff with two years continuous employment whose contracts began or were renewed on or after 1 October 2002 will be entitled to claim a statutory redundancy payment upon the ending of their employment if the reason for termination is the expiry of their fixed-term contract and they do not secure alternative employment within the University.</i>
RESEARCH		
Is there a clear definition of research?	RSD	http://www.enterprise.cam.ac.uk/consultancy.php?sub=31 . This is from Cambridge Enterprise and best describes the difference between Research and Consultancy. RSD website also provides detailed information http://www.rsd.cam.ac.uk/
Would any terms agreed with sponsors for research 'trump' purchasing regulations?	RSD	This would be on a case by case basis. RSD would always refer to the sponsors terms and conditions and most sponsors defer to the University's regulations. However, if there are any doubts, we would take it up with the sponsor concerned.
TRADING		
Is trading with Colleges a commercial activity?	Accounts Receivable	No but depending on the activity VAT may be charged.
GENERAL		
How vulnerable is the University in the current financial climate?	Treasury and Investment	Deposit Account: the risk is spread between a number of counterparties who meet criteria approved by Finance Committee CUEF: Performance has reflected the market downturn this is a long term fund and it is expected that over the long term it will still show growth as it has done through previous cyclical downturns. Trust Funds: The Endowment Fund distribution formula provides a smoothing mechanism so that market movements are not immediately and unreasonably reflected in CUEF.
FEC: How do you calculate it? Is it just on staff or is it on freelancers?	RSD	Detailed information can be found on the fEC website. There is also a frequently asked questions section which details how fEC rates are calculated. http://www.admin.cam.ac.uk/univ/fec/
Is there a standard training schedule for new Heads of Departments/Institutions?	Centre for Personal and Professional Development	On Centre for Personal and Professional Development there is a link 'Information for Research Staff, Leadership Series , Events' However this does not cover all aspects e.g. Financial Regulations and is aimed at those in a research role. There is a session on Finance but this is more as to how the University is financed rather than applying regulations in the department relating to finance.