

**Central
Film
School**



Central Film School

Financial Regulations and Procedures

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Section A - Introduction

1. Purpose

The purpose of these Regulations is to:

- a. provide sound arrangements for internal financial management, accounting and control;
- b. promote best value for money; and
- c. fulfil the School's legal and financial obligations

2. Responsibility

The Finance & Commercial Committee (FCC) is responsible for the day to day supervision and management of School resources & finances, and reports directly to the Board of Directors (BoD). The BoD is responsible for reviewing the effectiveness of the School's system of internal control and risk management. Ultimately responsibility for ensuring the financial regularity and probity of the School lies with the BoD.

3. Application

These Regulations apply to:

- a. all School income and business including all purchases or acquisitions of goods, services and capital works;
- b. all staff – see section c for details of staff responsibilities; and
- c. all departments

4. Policies and Procedures

These Regulations should be read in conjunction with the Central Film School's financial policies and procedures. The Policies set down the principles that must be followed and the procedures set down the way in which the policies should be applied.

5. Review and maintenance

These Financial Regulations shall be effective from 31 March 2020.

The Finance Manager maintains a continuous review of these Regulations and they will be updated annually. Major changes will be through BoD approval on the advice of the Finance & Commercial Committee. These Regulations and any changes will be communicated to Heads of Departments and will be published on Central Film School's website.

6. Annual Report and Accounts for the financial year

Central Film School prepares an Annual Report and Accounts which include financial statements for its financial year which runs from 1st October until 30th September.

The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and have been prepared in accordance with the requirements of the Companies Act 2006.

The FCC review the financial statements which have been audited by the School's appointed external auditor and recommend to the BoD for approval. They are then signed off by the School's ultimate governing body, the School's Board of Directors.

Section B - Ethical Principles and Business Conduct

7. General Principles

No School activity must be undertaken that is in known breach of the laws and regulations of any country. Staff knowingly or recklessly disregarding this prohibition may be subject to disciplinary action, up to and including dismissal.

In cases of doubt, all staff must seek advice from the School CEO before any financial commitment is made or where there is suspicion of money laundering or other criminal activity.

All staff must ensure they commit School resources in a transparent and ethical way and must always seek to uphold and enhance the standing of the School.

Key Principles of Central Film School Procurement are (as defined by law)

- a. equal treatment,
- b. non-discrimination,
- c. transparency,
- d. proportionality,
- e. mutual recognition

Failure to observe the following will lead to disciplinary action, up to and including dismissal:

- a. Staff must not use their authority or office for financial gain for themselves, friends or relative
- b. No-one can evaluate bids or sign a School contract if they (or family) have a personal interest in the affairs of the other party.

8. Nolan Principles

All School business must be conducted in a manner consistent with the Committee on Standards in Public Life's seven principles. These are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

9. Financial Management

Day-to-day financial control is exercised by officers of the School under delegation from the governing body. Responsibility for administering the finances and advising on financial matters is delegated to a professional employee, generally designated as Finance Manager. That individual must have access to the CEO whenever he/she deems it appropriate.

10. Bribery and Corruption

In accordance with the highest standards of professional practice and good governance, Central Film School does not tolerate bribery or corruption of any kind.

All members of staff must adhere strictly to the UK legislation in relation to bribery and corruption and follow the procedures designed by the School to prevent bribery.

Staff business conduct must comply with this policy regardless of where School business takes place. They must particularly ensure that they do not breach the UK Bribery Act 2010 by ensuring that they avoid the Act's four offences:

- a. Bribing another person;
- b. Being bribed;
- c. Bribing a foreign public official; and
- d. Failure to prevent Bribery

All staff must ensure that external contractors or organisations working at the School comply with the 2010 UK Bribery Act and other applicable anti-bribery legislation worldwide.

In cases of doubt about offers or inducements all staff must contact the CEO or Board of Directors for advice.

11. Money Laundering

All staff must comply at all times with Money Laundering Regulations 2017, the Bribery Act 2010 and all other regulations on, or related to, money laundering and related offences.

12. Modern Slavery

All staff must comply at all times with the Modern Slavery Act 2015 and to ensure that staff will act ethically and with integrity in all relationships, and use all

reasonable endeavours to take action directly and to influence others to ensure slavery and human trafficking is not taking place.

What we are going to do in the future:

Work continues on our Anti-Slavery and Human Trafficking Policy which will reflect our commitment to acting ethically and with integrity in all our business relationships.

Our 2020/2021 action points are:

- to review and update our standard contract terms and conditions.
- to ensure all Procurement staff have undertaken appropriate training, and to begin the roll out of training to all internal purchasers.
- to produce individual category strategies that mitigate against the risk of any human trafficking and slavery issues within the supply chain.
- to contact all suppliers who have provided goods and services to Central Film School in excess of £10,000 within the last 12 months in order to:
 - consider their policies and procedures in relation to the prevention of modern slavery and human trafficking; and
 - ensure that processes are in place to identify any issues, develop action plans and report annually on actions taken; and
 - offer guidance and/or support to any supplier(s) that might not have a modern slavery/human trafficking policy and/or procedures in place.

Central Film School reserves the right to put on stop any supplier that fails to provide evidence that it is taking necessary measures to ensure the prevention of modern slavery and human trafficking.

13. Fraud and irregularity

All staff, students or members of Board who suspect fraud or irregularity in the School must report their concerns to the Finance Manager. The Finance Manager must immediately advise the CEO and the Board of Directors.

No member of staff is permitted to undertake a fraud investigation without authorisation. The Finance Manager will liaise with the CEO before appointing an investigator.

Fraud allegations relating to the Finance Manager, must be reported without delay to the CEO or Board.

The CEO and Finance Manager are authorised to contact the Police in cases of alleged fraud against the School. No other School officer is permitted to contact the Police in such circumstances.

Reports relating to all fraud investigations undertaken must be presented to the Board of Directors. Updates on any ongoing investigations must also be given,

subject to any legal restrictions. These reports will be given by the Finance Manager, except where that would be inappropriate.

Any firms convicted of irregularities must be excluded from future procurement in accordance with any legal obligations.

14. Conflict of Interest

All staff must formally declare any potential conflicts of interest to their line manager when undertaking School business. All declarations must:

- a. be in writing;
- b. record and handle any identified potential conflicts of interest (during procurement stages).

"Interest" includes financial involvement of spouses, partners, children, parents or other immediate family.

15. Register of Interests

The Finance Manager or Company Secretary will be responsible for maintaining a Register of Interests, as required.

16. Gifts and Hospitality

Central Film School staff must avoid accepting offers of gifts of hospitality in the following circumstances where:

- a. accepting the offer could be perceived as seeking to influence the proper conduct of their duties,
- b. accepting the offer could be taken to influence future decisions in the School, e.g. the outcome of a procurement process,
- c. the acceptance of even modest gifts or hospitality could damage the reputation of the School,
- d. the gift of hospitality is significantly greater than the School would provide in return,
- e. Where lavish offers of gifts or hospitality could be taken to be bribery.

All staff will declare all gifts and hospitality offered during any procurement process and staff must decline gifts or hospitality in all cases of doubt.

Staff must not accept offers of gifts, hospitality or "free" goods for use from organisations currently tendering for School business and report offers made during the procurement process.

All gifts and hospitality received and given must be recorded in a gifts and hospitality register.

17. Acceptance of Donations

Only Central Film School Board of Directors can formally acknowledge acceptance of a donation made to the School. No donations must ever be accepted where:

- a. restrictions are sought on any aspect of academic freedom,
- b. funders request explicit control over the use of School resources,
- c. funders request the alteration of any School policy,
- d. Equipment is free-on-loan or with promise to purchase.

Any donations must be fully disclosed and recorded in a School-approved database record.

18. Whistleblowing

Central Film School is committed to promote the identification of, and assist in investigating and, where appropriate, acting upon, concerns expressed about any of the following matters:

- commission of a criminal offence;
- failure to observe a legal obligation
- miscarriage of justice;
- endangerment of health, safety or the environment;
- financial or non-financial maladministration and malpractice;
- obstruction or frustration of the exercise of academic freedom;
- academic or professional malpractice of a serious nature;
- improper conduct or unethical behaviour of a serious nature;
- suppression or concealment of any information relating to any of the above.

These concerns may relate to the School itself or an individual or individuals.

Reports must initially be made to line managers except where this is considered inappropriate by the person concerned.

19. Data protection

Central Film School holds and processes personal data about individuals such as employees, students, graduates and others, defined as 'data subjects' by the law. Such data must only be processed in accordance with the GDPR and the DPA.

School Data Protection policy applies to all staff and students in all cases where Central Film School or its students are the data controller or a data processor of personal data. The policy applies in these cases regardless of who created the data, where it is held, or the ownership of the equipment used.

All users of personal data within the School must ensure that personal data is always held securely and not disclosed to any unauthorised third party either accidentally, negligently or intentionally.

Section C – Staff Responsibilities

21. Compliance

Staff must, irrespective of sources of funding, comply with:

- a. the Financial Regulations
- b. School Statutes and Ordinances
- c. School policies and procedures;
- d. all legal, financial, administrative and other obligations
- e. the requirements laid down by HM Revenue and Customs and other regulatory authorities
- f. the School's Delegated Authorisation Schedule and must not:
 - authorise any financial or procurement activity outside of their authorised delegated limits.
 - deliberately split orders for goods and services to remain within any limits they are given.
 - deliberately avoid aggregation of expenditure on similar (type not source) of goods or services to remain below regulated thresholds

Staff must also comply with:

- a. School's Fraud Policy when fraud or irregularity is suspected.
- b. The Whistleblowing Policy to raise issues of irregularity of malpractice.
- c. The Modern Slavery statement to raise issues when slavery or human trafficking is suspected.

In case of doubt all staff must seek advice on the application of any regulation, policy or procedure.

All staff must declare interests that may be perceived to affect their judgement in making or influencing decisions. These decisions include anything with a financial or procurement competition implication for the School. These can involve personal relationships as well as interests in a body bidding for business, or contracting with the School. Staff must seek the advice of the Finance Manager in cases of doubt.

All staff must provide the FCC with any information requested about the School's finances, procurement plans or activities – the FCC will refer to the BoD where necessary. This includes any requests relating to compliance with School Financial Regulations, Policies and Procedures or evidence regarding compliance with the School Procurement Strategy.

Appropriate records must be kept to ensure compliance is evidenced e.g. in FCC Monthly Meeting notes.

22. Risk

All staff are responsible for assessing and managing risk and must:

- a. ensure risk is managed at an acceptable level for all School activities undertaken.
- b. only accept risks within their limits of authority and not breach any School policy or procedure.
- c. seek advice on procurement risks prior to engaging with suppliers or bidders.

In case of doubt Staff must initially consult with their line manager.

23. Value for money

All staff are responsible for ensuring the School obtains value for money from funds received from all sources. Staff must ensure they use:

- a. School resources and assets in a prudent way to meet agreed School objectives.
- b. resources received or allocated for the purpose for which they are intended.

To help fulfil this responsibility, Heads of Curriculum, Production, Marketing, Admissions and Student Experience will also have regard to value for money in its programme of work. These measures will be used to enable the Finance & Commercial Committee to provide assurances regarding value for money in their annual report to Board of Directors.

24. Consequence of non-compliance with regulations

Non-observance of these Regulations may result in disciplinary action.

25. Communication of Financial Regulations

The Finance Manager is responsible for ensuring that copies of the Financial Regulations are published on the School's website.

It is the responsibility of all designated Budget Holders to ensure that:

- a. their staff are made aware of the existence and provisions of the Financial Regulations,
- b. where necessary, ensure that staff are trained to carry out their duties and ensure that staff are made aware that non-compliance with the Financial Regulations will result in disciplinary proceedings

26. Retention of documents

Central Film School is required by law to retain prime documents for seven complete tax years.

Requests for procurement documentation may be required for significantly longer on funding body terms e.g. European funding. Commercial supplier contracts should be retained for seven years after completion. Bids evaluated and records of decisions must be retained for seven years from the selection process.

Section D – Authorisation

27. Delegated Authority

Delegated authority is expressed through a system of authorised signatories. However, it remains the responsibility of primary Budget Holders, Heads of Department or the equivalent officers to ensure full compliance with the Financial Regulations and Financial Policies and Procedures.

a. Budgets and General Expenditure

All expenditure over £25 is required to have a purchase order approved and all payments must be signed by either the CEO and Finance Manager or Head of Department and Finance Manager to expedite the payment.

b. Fixed assets (such as Land and Property)

All fixed assets purchase and/or disposals must be approved by the Board and CEO. All and any payments related to this must have Board approval to expedite payment.

28. Sub-delegation of authority

The Finance Manager has not sub-delegated his authority.

29. Cheque and Standing Order Signatories

Standing orders and direct debits must only be authorised by the Finance Manager and those individuals who have been approved as described above by Board as cheque signatories and through a two-step approval process with a purchase order.

30. Electronic Signatures

The use in these Financial Regulations of the term "authorised signatory" includes electronic as well as written signatures.

31. Staff Changes

The Finance Manager must be notified immediately of any changes to those authorised to commit expenditure, including staff leavers.

Section E – Financial Control

32. Financial Control

There are various ways of exercising financial control; through audit and risk management, segregation of duties, authorisation limits, policies, budgets, system controls, bank reconciliations, management accounts, forecasting and audit.

33. Audit Committee

The Audit Committee is independent of senior management and reports directly to Board. It is instituted at least once every three years to review policy and governance of the School, including Finance Regulations. It has a right of access to all information it considers necessary to discharge its responsibilities and consults directly with the internal and external auditors. The School employs an external auditor to audit the School's yearly accounts.

34. Risk Management

The following key principles underpin the School's approach to risk management and control:

- i) Board has responsibility for overseeing risk management within the School;
- ii) an open and receptive approach to solving risk problems is adopted by Board;
- iii) the CEO and FCC support, advise and implement policies adopted by Board;
- iv) in making decisions the School takes full account of, and discloses as appropriate, the financial and non-financial implications of risks;
- v) Heads of Department are responsible for encouraging good risk management practice within their areas of responsibility, and for identifying individuals with responsibility for activities with a perceived higher than usual risk;

35. Segregation of duties

Segregation of duties is an internal control designed to prevent error and fraud by ensuring that more than one person is required to complete a task.

It serves as a deterrent to fraud and concealment of error because of the need to recruit another individual's co-operation, via collusion, to conceal it.

Effective segregation of duties must be in place between the preparer and authoriser, and based on an approved transaction.

36. Opening/ closing of bank accounts

Only Board may authorise the opening or closing of a School bank account.

37. Operation of bank accounts

No staff member (other than the CEO and Finance Manager operating on the authority of Board) may open or operate bank accounts to deal with funds held by or due to the School.

38. All transactions recorded Gross

All sums received must be paid into the bank and accounted for in full. There must be no payments from receipts before being banked i.e.

- a. All transactions must be recorded in the system at their full value.
- b. Payments must not be made by netting off the full value of any receipt.

39. Cash receipts

All cash received from whatever source must be receipted in a timely manner using official School stationery.

Section F - Budgets and Forecasting

40. Planning Round

The CEO is responsible for setting the timetable for the planning round with final approval granted by the Board. The pattern for this is:

- a. Setting of strategic priorities
- b. 1st round of planning
- c. Strategic review and direction
- d. 2nd round of planning
- e. Review and refinement
- f. Approval and confirmation by Board

Budget holders must create a clear plan to achieve strategic objectives. They must focus on net income growth and optimise expenditure.

41. Budgets

A budget is an estimate of income or expenditure over a period of time. Regularly reporting actual income and expenditure against estimated helps the School manage and control its business.

42. Resource allocation

The Board must approve an annual budget for the School before the new financial year starts.

43. Resource allocation model

CEO and Heads of Departments are responsible for the resource allocation model. No activities can be funded which are not agreed under the model.

44. Budget Control

The Head of Department is the designated budget holder for their respective budget allocation. Where a Head of Department is not a budget-holder, the responsibility to manage lies with the Finance Manager.

The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder who must ensure that day-to-day monitoring is undertaken effectively and report to the CEO for any under/overspend.

45. Budget reports

The Finance Manager is responsible for supplying budgetary reports on all aspects of the School's finances to the CEO and BoD.

46. Reporting variances

Significant departures from agreed budgetary targets, incurred or prospective, must be reported immediately to the Finance Manager by the Head of Department concerned and, if necessary, corrective action taken.

47. Forecasts

In addition to budget control, the School regularly forecasts its expected results. This helps to keep track of any issues that could arise. By identifying difficulties which may arise in future months and how such issues can impact on the School corrective measures can be put in place at an early stage to mitigate their impact.

During the year, the Finance Manager is responsible for submitting revised forecasts to the CEO for consideration before submission to Board for approval.

48. Capital planning

Where the School has capital as well as revenue resources. These regulations apply to both capital and revenue expenditure.

Section G – Accountancy Systems

49. Financial Systems

The Board must authorise any financial system used in the School.

The CEO signs off on security and assesses the potential to integrate with the School's network.

50. Training

In order to access the School's finance systems, staff members are required to attend an appropriate training course and must follow the policies and procedures for related systems. Training can be arranged by contacting the Finance Manager.

51. Recording of transactions

All financial transactions must be properly recorded within the School's finance systems either through direct input or through an appropriate interface from another School approved system platform.

52. Compliance with computing regulations

Users must take all reasonable care to maintain the security of computing facilities and information to which they have been given approved access. In particular, users must not transfer or share their passwords, IT credentials or rights to access or use computing facilities, with anyone else.

The confidentiality, integrity and security of all personally identifying data held, or processed on Central Film School systems must be respected, even where users have been authorised to access it. Users must not attempt to obtain or use anyone else's credentials

53. Authorisations database

The Finance Manager is responsible to maintaining a list of authorised User and can add or amend personal, financial code or authorisations amounts.

54. Ledger code changes

Each of these must be used for the purpose for which they have been set up, i.e. cost centre relates to school or sub-unit, account to type of transaction and job to projects etc.

Section H – Income

55. Tuition fees

The CEO recommends fee proposals to Board for final decision.

56. Maximisation of income

It is the responsibility of all staff to ensure that revenue to the School is maximised by the efficient application of agreed procedures for the identification, collection and banking of income. In particular, this requires the prompt notification to the Finance Manager of sums due so that collection can be initiated.

57. Pricing

If applicable, goods/services received into the School at contract prices cannot be 'marked up' for internal resale.

58. Receipt of income

Income can be received in various ways such as cash, cheque, credit card and online payments. All income received must be accounted for in the appropriate budgetary cost centre in order to facilitate accurate budgetary control and reporting.

59. Cheque receipts

Cheques must be made payable to Central Film School London Ltd.

60. Credit card/ internet payments

All electronic payments must comply with Payment Card Industry Data Security Standards (PCI DSS). Compliance is mandatory for any business that processes, stores or transmits cardholder data i.e. process card payments.

Responsibility for compliance with PCI DSS is managed by the Finance Manager. Policies, training and checklists are provided to help all departments and staff who deal with card transactions.

61. Payments to subsidiaries

Central Film School currently has no subsidiaries in receipt of payments.

62. Sales Invoices

The Finance Manager is responsible for the School's sales' invoicing, debt management and credit arrangements. In exercising these responsibilities the Finance Manager will ensure that:

- a. sales invoices are accurate, raised promptly on official invoices and are recorded in the financial system;
- b. any credits granted are valid, properly authorised and accurately recorded;
- c. VAT is correctly charged and accounted for;
- d. monies received are posted to the correct debtor account;
- e. swift and effective action is taken in collecting overdue debts;
- f. outstanding debts are monitored and pursued, and reports are prepared for management.

The FCC monitors the finance administration on a monthly basis through analysis of the School's management accounts, and weekly at the Cash flow Analysis Meeting.

63. Overdue debts

Debt which is overdue by more than one year, or is deemed irrecoverable before that date, is usually charged back to the School, who raised the associated invoice.

64. Debt write off

The Board has authority to approve financial transactions for settlement of tax matters, incorporation and winding up of a subsidiary (if this is ever required), creation of joint venture legal entities write-off or write-down of money due and foreign exchange dealings, up to £10m.

All transactions listed in this section must be notified to the CEO and Finance Manager.

Section I - Grants and Contracts for Research, Commercial and Other Activities

65. Research Grants

Central Film School does not have any research grants, nor does it currently have plans set out in its Strategy for this. However, the CEO has delegated authority for:

- a. the application and acceptance of research grants,
- b. tenders for research contracts to others and stand-alone contracts for research.

66. Grants and contracts greater than £500,000

The Board and CEO should be notified of all grant applications, acceptances, tenders and standalone contracts above £500,000.

67. Applications

There are no plans to seek and obtain grants and other awards from the various research granting bodies.

68. Research Support Office

A Research Support Office (RSO) is not currently required but would be responsible for all administration regarding research grants and contracts up to and including the point of acceptance by the School.

69. Costing applications

It is School policy not accept grants.

70. Awards

The Finance Manager would be responsible for the financial administration of research grant awards.

71. Other Services (Non Research and Commercial Contracts)

Where the School provides a service to an external organisation which does not fall within the definition of a research grant or contract, it will be considered to be a 'Services Rendered' contract. These contracts are income generating activities and include:

- a. the provision of a service,
- b. conferences,
- c. continued Professional Development Courses and
- d. consultancies.

72. Commercial contracts

The CEO has delegated authority to sign 'Service and Consultancy' agreements.

73. Commercial Activity

Commercial activities cover both trading and commercialisation.

74. Earmarked Grants

The School policy is not to accept grants for any purpose.

75. Intellectual Property Rights (IPR)

Procurement standard terms and conditions must be used unless otherwise approved by Board consulting with the Legal Services.

Section J – Endowments and Donations

76. Donations

The Board has sole authority for acceptance and utilisation of donations.

77. Endowments

An endowment is a particular type of donation and is recognised as income in the year it is received. It is retained by the School and invested so that it earns income which can be used for the purpose specified by the donor.

Section K – Non-pay expenditure

78. Authority to Incur Expenditure

No expenditure may be incurred by a Head of Department unless provision for such expenditure is included in the Annual Budget or has been additionally approved by the CEO and Finance Manager.

79. Purchasing - Acquiring Goods and Services

All staff must comply with the School's Procurement Strategy.

Staff should wherever possible buy goods and services from School suppliers who have been selected according to our strategy and legal duties.

80. Procurement guidance

Guidance, training and awareness of procurement law, whole life costs, drafting a procurement plan and procurement journeys are the duty of the Board and CEO.

81. Receipt of goods and services

All goods shall be received at designated receipt and distribution points. A delivery note must be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

82. Return of goods

If the goods are deemed to be unsatisfactory, the record shall be marked accordingly and the supplier immediately notified so that they can be collected for return as soon as possible. Where goods are short on delivery, the record should be marked accordingly and the supplier immediately notified.

83. Payment of Invoices

All invoices will be paid in line with the appropriate Finance Manager's Policies and Procedures.

The Finance Manager is responsible for deciding the most appropriate method for payment of invoices. Invoices will only be paid for amounts authorised by an appropriate authoriser with a sufficient delegated limit as in the Delegated Authority.

Payments shall only be made on invoices where the goods or services have been satisfactorily received. However, in circumstances where advance payment (partial or full) is required as a condition of contract, and the School can be satisfied that it will ultimately receive the goods and services, such payments may be made.

HMRC IR35

When engaging a supplier it is essential that staff determine if a person is an employee under HMRC IR35 (intermediaries legislation) where the act has been enacted. All invoices received from these suppliers must be sent to payroll so that tax and national insurance can be deducted before payment.

84. Late payment rules

The Late Payment of Debts (Interest) Act 1998, as amended by the Late Payment of Commercial Debts Regulations 2013, gives small, medium and large businesses and public sector organisations the right to charge interest on late payments from large organisations and public authorities. In view of the penalties in this Act, school/departments should ensure that invoices are authorised without undue delay.

85. Internal Charging

There are no internal inter-departmental charging requirements at the School.

86. Payment of expenses

Reimbursement of expenses must be done in accordance with the Expenses Policy.

87. Advances

Where advances are made to members of staff for reasons of foreign travel, these advances should be accounted for within 3 months of the return to the School. Further advances will not be made to members of staff who have previous advance accounts outstanding.

88. Petty Cash

The School's petty cash account is maintained by the Finance Manager. Cash floats should not normally be maintained in Departments. However, under exceptional circumstances, petty cash accounts may be maintained on the authority of the Finance Manager to meet minor payments and disbursements. Such accounts are the responsibility of the member of staff to whom they are entrusted. Payments from petty cash accounts must be supported by appropriate invoices or receipts.

Section L – Payroll and Pensions

89. Staff records and contracts

A contract must be set up by the CEO and the School's engaged external HR advisor before any work is performed. Departments should not contract with individuals directly.

The CEO and HR advisor are responsible for:

- a. ensuring all contracts of employment are in accordance with the School's approved Human Resources practices and procedures,
- b. the maintenance of staff records and for determining the contractual arrangements relating to the payments of salaries, wages and other emoluments,
- c. issuing all contracts of employment.

90. Staff payment

The Finance Manager is responsible for ensuring:

- a. that people are paid through the School payroll,
- b. that tax is deducted, except where satisfied that a contract of employment does not exist, and
- c. the maintenance of related records, including those of a statutory nature.

91. Payment of wages, salaries and other remuneration

Except where specifically directed by the Finance Manager, all payments of wages, salaries or other salary emoluments or employment shall be made through the School payroll.

92. Pensions

The CEO is responsible for undertaking the Board's role as employer in relation to most pension matters and ensure that Pension law is adhered to.

Section M – Land, Buildings and Equipment

93. Safeguarding assets

Assets owned or leased by the School shall, so far as is practical, be effectively marked to identify them as School property. Local inventories of such assets should be maintained with the following details included:

- a. A description of the equipment;
- b. The price paid or its estimated value;
- c. Related future costs such as maintenance, annual service, part replacement, upgrades and warranties. This is to ensure that the assets can continue to be used.
- d. The location in which it is stored or used;
- e. The date of purchase or lease.

94. Personal use of assets

Assets owned or leased by the School shall not be subject to personal use without proper authorisation.

95. Disposal of assets

Disposal of land and buildings must only take place with the authorisation of Board advised by the Estates Committee. The Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

96. School vehicles

Central Film School does not own or provide vehicular access to students or staff through the School.

97. Custody of assets

Individual Departments are responsible for establishing adequate arrangements for the custody and control of all other assets owned by the School, whether tangible (such as stock) or intangible (such as intellectual property), including electronic data.

98. Capital Policy

The Board is responsible for capital policy and guidance

The capital policy and guidance describes the different types of expenditure that may, or may not, be capitalised and gives examples.

Capital expenditure includes the acquisition, upgrading and construction of fixed assets such as buildings and equipment costing more than £5,000 which will be used for more than one year. Any other expenditure on assets is charged to revenue.

99. Recording of Fixed Assets

For accounting and reporting purposes the School must record:

- a. Equipment costing more than £5,000;
- b. Leased equipment – equipment leased or hired by the School for a period of one year or more;
- c. Fixed asset equipment costing more than £10,000 with a useful life of more than four years.

100. Property and equipment documentation

All legal documentation related to building will be retained by the CEO. The Finance Manager retains the invoices related to buildings.

101. Changes to assets

In order for the School to ensure that its central fixed asset register is kept up to date, Budget Holders must notify the Finance Manager and CEO where they become aware of changes in capitalised assets (for example where any of these assets are disposed of or where their value has fallen due to damage or changes in market conditions).

102. Central Asset Register Threshold

The Finance Manager maintains the central asset register for property and equipment with an initial cost in the excess of £5,000.

Section N – Stocks

103. Stock Control

Stock includes assets:

- a. held for sale in the ordinary course of business and

- b. materials or supplies used in a production process or for rendering of services.

Heads of Departments or Support Groups are responsible for establishing adequate arrangements for the custody, control security and safety of stocks and stores within their areas of responsibility.

104. Stock Checks

Heads of Department are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature should be subject to appropriate security checks and methods of storage and disposal.

105. Safe-guarding and accounting for stock

Staff responsible for stock locations must ensure that:

- a. adequate stock-taking procedures are in place as required within the School's year-end procedures;
- b. stock is ordered only in appropriate quantities of suitable quality at the best terms available, within the School Procurement Strategy, and purchased after appropriate requisition and approval;
- c. stock is adequately protected against loss, misuse or obsolescence;
- d. procedures are in place to account for all stock movements and the correct allocation to the appropriate user;
- e. stockholdings are regularly reviewed for obsolete stock and in such cases obsolete stock should be disposed of at an appropriate time so as to obtain the best value (normally expected to be market value) possible for the School;
- f. best value is obtained for the competitive sale of any goods to external bodies or to staff and proper records are kept of the sales procedures;
- g. stocks are valued during the year and the stock valuation (as reported to the Finance Manager) should be at the lower of cost or net realisable value.

Section O – Investment and Borrowing

106. Treasury Management

The School's Treasury Management policy is determined by Board on the advice of the Finance & Commercial Committee and the CEO.

The day to day operations in relation to treasury management are delegated to the Finance Manager.

107. Investments

The Board is responsible for oversight of all investment of funds of the School. No Department of the School may invest in any securities or other investments (including land and buildings) without the prior approval of Board. Schools or Departments must not borrow money outside the School. No guarantees or letters of comfort may be issued except with the prior written consent of the Board and CEO.

108. Loans

No School or Department may make a loan, including loans to staff or (outside the normal course of business) extend credit arrangements without the Board's consent.

109. Transport loan

The School doesn't currently provide an interest free transport loan for purchasing a bus or train season ticket. This can be reviewed at Board level but is not currently planned for.

110. Hire Purchases and Leases

Finance are required to keep a register of financial commitments arising from the long-term lease, or hire, of all equipment.

Section P – Insurance

111. Insurance cover and claims

The CEO arranges cover which must be procured in accordance with the School Procurement Strategy, for buildings, contents, motor vehicles, travel and legal liabilities.

112. Valuations

The Heads of Departments in conjunction with the Finance Manager are responsible for keeping up to date records of the insurance valuation of buildings and plant and machinery, as required, which may be subject to inspection by an insurance company.

113. Use of own vehicle

All staff using their own vehicles on behalf of the School must maintain appropriate insurance cover for business use.

114. Notification of risks and claims

All staff must:

- a. give prompt notification to the CEO of any potential new risks or activity, and additional property and equipment being procured that may require insurance and of any alterations affecting existing risks;
- b. advise the CEO of any event that may give rise to an insurance claim (either by or against the School).

Section Q – Taxation

115. Responsibility for tax compliance

The Finance Manager is responsible for advising on all taxation issues within the School in the light of guidance issued by the appropriate bodies and relevant legislation as it applies.

This includes VAT, PAYE, National Insurance, corporation tax and import duty. The Finance Manager is responsible for making all tax payments and submitting tax returns by their due date as appropriate.

116. Value Added Tax

The School's VAT Registration Number is GB 132230174

Appendix A – Segregation of Duties

No one person should:

- Initiate transaction
- Approve transaction
- Approve supplier selection (for procurement)
- Record transaction
- Reconcile balances
- Handle assets
- Review reports

Segregation of duties is critical to effective internal control; it reduces the risk of both erroneous and fraudulent actions. In general, the approval function, the accounting/reconciling function, procurement duties and the custody of assets should be separated among employees. When these functions cannot be separated, a detailed supervisory review of related activities is required as a compensating control activity. Segregation of duties is a deterrent to fraud because it requires collusion with another person to perpetrate a fraudulent act.

Specific examples of segregation of duties are as follows:

- The person who requisitions the purchase of goods or services should not be the person who approves the purchase.
- The person who approves the purchase of goods or services should not be the person who reconciles the monthly financial reports – under review
- The person who approves the purchase of goods or services should not be the person who authorises payment.
- The person who maintains and reconciles the accounting records should not be able to authorise payments.
- The person who specifies the goods or services should not be the (only) person who selects the bidders
- The person who opens the bids should not be the (only) person who selects the winning bid (or tender)
- The person who opens the mail and prepares a listing of cheques received should not be the person who makes the deposit.

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