



60 Newmarket Street, Grimsby, North East Lincolnshire, DN32 7SF  
Telephone: 01472 269666 Website: [www.foresight-nelincs.org.uk](http://www.foresight-nelincs.org.uk)

## Financial Regulations Policy

Foresight North East Lincolnshire Limited conducts its business and operations to the highest standards of integrity and objectivity and, where possible, follows a policy of openness and transparency. Compliance with the Financial Regulations is a requirement for all members of staff. Heads of Departments need to ensure that their staff and activities comply with the Foresight Financial Regulations. Non-compliance with the Foresight Financial Regulations will result in disciplinary action.

Foresight's Financial Year runs from 1 September to 31 July.

### Audit

1. External auditors shall have right of access to records, assets, personnel, premises or any other information in respect of Foresight activity and to obtain such information and explanation, as considered necessary, to fulfil audit responsibilities.
2. A continuous Internal Audit function shall be provided in accordance with the requirements of the Foresight Financial Regulations.

### Bank Accounts

3. Finance Officer shall open and maintain the bank accounts needed to conduct properly the business of Foresight. Finance Committee shall review annually such accounts and the signatories who may operate them.
4. The appointed Treasurer shall ensure the reconciliation of all bank accounts on a monthly basis.
5. No member of staff may open a bank account for Foresight related activity nor use the name of Foresight North East Lincolnshire Ltd or its departments.
6. Cheque signatories shall take such steps, as necessary, to satisfy themselves as to the validity of payments proposed, and that proper procedures have been followed to ensure that payment requests are supported by properly checked, approved, and appropriate documentation.
7. Finance Officer shall ensure that proper control is exercised over unused and cancelled cheques.

### Budget

8. The Foresight Budget for the forthcoming year shall be submitted, together with a report thereon by the Finance Officer, to Finance Committee at a meeting no later than June of each financial year. The Trustee Board shall consider the Budget, Report and Recommendations made by Finance Committee in time for the beginning of the following financial year.
9. The Budget, approved by the Trustee Board, represents the total income and expenditure that is expected to be received or incurred for that financial year. Finance Officer shall monitor income and expenditure within each main heading and report significant variances to each Finance Committee, at an early stage. If appropriate, the Trustee Board shall be asked to authorise significant variations to budget.
10. The Finance Officer will present to each Finance Committee a financial projection for the current financial year and, at least, annually a long-term financial forecast.

### Buildings and Property

11. The Company Secretary shall ensure that suitable arrangements are in place to secure custody of all deeds and agreements relating to land and buildings owned or leased to or by Foresight.
12. No charge shall be applied against any assets of Foresight, without the prior approval of the Trustee Board.

13. No land or buildings of Foresight shall be disposed of, without the prior approval of the Trustee Board and, where appropriate, the relevant grant maker.

### **Capital Expenditure**

14. Capital expenditure on property (i.e. that relating to the acquisition, construction, adaptation, or improvement of property) shall only be incurred by the Chief Officer, in the following ways:
- for projects in excess of £10,000 sourced from funds without specific conditions attaching, the approval of the Trustee Board must have been received;
  - for projects between £4,000 - £10,000, detailed options and financial appraisals must be prepared and the allocation of monies for that purpose from Foresights funds sanctioned by Finance Committee;
  - For projects below £4,000 the Chief Officer has overall control.
  - The spending of specific grants, obtained grant-awarding body or benefactor, has to be sanctioned by that body, except that the Finance Committee or Chief Officer may authorise expenditure, pending the receipt of a Capital Grant, where a firm commitment to funding has been received.
15. The Finance Officer shall present a progress report on all current capital projects to each meeting of Finance Committee, including a final report in respect of completed projects.

### **Cash and Cheque Advances**

16. All types of advance, including cash and cheque, shall be made at the discretion of Finance Committee who shall ensure that adequate control is exercised over such matters.
17. Staff in receipt of an advance (whether upon an "actual cost" or per diem basis) shall provide Finance Officer with a return of expenses in the required format, with any unspent monies, by the due date. Failure to do so will jeopardise any subsequent advance requests and may also result in the advance being referred to Payroll for the deduction of income tax.

### **Consultancy Work**

18. Full time members of staff may undertake consultancy work in a private capacity with the agreement from the Staffing Committee, providing this does not interfere with their duties. Where such a commitment on a personal and private basis is accepted, staff shall clearly indicate to the external sponsor in writing that they are acting in a personal capacity, and that there is no legal liability on Foresight as a result of any advice, information or recommendations given. No use should be made of Foresight stationery (or any other title or documentation) which could give the impression of Foresight's involvement. Staffing Committee shall ensure that staff, undertaking private work, have provided a suitable disclaimer letter to the sponsor. Staff accepting such private commitments are responsible for their own insurance and personal taxation arrangements.
19. Where Foresights materials or resources (including office and laboratory space) are consumed in the course of private work, payment at a commercial rate (inclusive of VAT) should be agreed with the Chief Officer.

### **Endowments and Donations**

20. Finance Officer shall make arrangements to ensure that:
- donations or gifts are received in the most tax efficient manner;
  - VAT implications are fully considered; and
  - terms of a donation or gift are not too onerous upon Foresight and do not result in commitments to expenditure or liability which cannot be met.
21. Finance Officer shall ensure that tax is reclaimed from covenanted and other similar donations on a regular basis, and that adequate records are maintained as required by the tax authorities.

### **Expenditure**

22. Every member of staff, authorised to incur expenditure, shall ensure that adequate records are maintained to control and monitor expenditure against approved limits, and shall seek to achieve value for money in all cases.
23. Heads of Department shall be authorised to incur expenditure, provided that it is within the departmental allocation or an approved budget as notified by Finance Officer. If expenditure should exceed funds, an application for supplementary provision needs to be approved by Chief Officer, with an agreed spending plan to eliminate the deficit position.
24. Finance Officer shall investigate any instances of unauthorised over-expenditure on a regular basis and agree, with the relevant Head of Department, action to rectify the situation, which may include the virement of other departmental funds. Normally, deficit balances shall only be written off with prior approval of Finance Committee. A summary of

departmental account balances, indicating change from the previous financial year, will be reported to the Trustee Board at each meeting.

25. Each Head of Department shall promptly notify the Finance Officer of any matter involving a significant resource commitment, or potential commitment, including any proposal which has material financial implications, to ensure that such matters comply with recognised accounting policies, procedures, and planning requirements, and that necessary Committee approvals have been obtained.

### **Expenses and Travel**

26. All claims for reimbursement of expenses, incurred by an individual in the course of Foresight related business, must be supported by official receipts or some other valid form of supporting documentation, providing details of the purpose of expenditure, duly signed by the claimant and an Authorised Signatory.
27. Staff cannot authorise their own expenses claim form. All staff shall have their personal expense claims countersigned by an appropriate Authorised Signatory.
28. Personal expense claims must be presented for reimbursement within three months of the expenditure being incurred and will be reimbursed via BACS to the nominated bank account.

### **Financial Control**

29. The Finance Officer shall be responsible to the Treasurer for maintaining all financial records and accounts, for Foresight's revenue and capital.
30. The Finance Officer shall be responsible to the Chief Officer for the management, organisation and administration of Finance and Business Affairs.
31. The Finance Officer is responsible for:
- the provision of financial and related advice on all Foresight matters, including financial control and internal check;
  - the integrity of Foresight's financial records, systems and source data;
  - exercising supervision and control of accounting arrangements and standards throughout Foresight;
  - the provision of a financial management service to govern, manage and regulate the finances and accounts of Foresight, including budgetary control, assets, investments, insurance, and financial resources generally.
32. Finance Officer shall prepare annual financial statements and shall arrange for these to be audited and submitted to the Trustee Board by 1 July each year, or as soon after as is reasonably practicable. Finance Committee shall agree, where appropriate on the recommendation of the Audit Committee, the accounting policies, as stated in the annual financial statements.
33. Heads of Department are Authorised Signatories by virtue of their position for ordering or authorising expenses up to a value not exceeding £500. The Chief Officer is allowed to order/authorise expenses up to and including £4,000. Any expenditure over this amount will follow the same protocol as capital expenditure see item 14.
34. Authorised Signatories Lists shall be confirmed annually and formally updated at least every three years.

### **Fraud**

35. Members of staff shall advise their Staffing Committee of all external work and private consultancies undertaken, including appointment as company director. Finance Officer shall also be notified of relationships, where a conflict of interest may exist or occur. Finance Officer shall maintain a confidential record of such commitments, and shall advise the Chief Officer if they consider such commitments are in danger of becoming excessive. Chief Officer shall introduce appropriate controls to avoid potential conflict and shall advise the Staffing Committee of such commitments of their own.
36. All staff shall declare to the Staffing Committee:
- any significant shareholding or material interest which they have in a business which may (or does) supply or trade with Foresight;
  - any matter which might reasonably be deemed by others to encroach on impartiality;
  - any personal, financial or other beneficial interest an individual (including a close relative or partner) may have in any financial arrangement or transaction with Foresight.
37. The Finance Officer shall maintain a register of disclosures of interest.
38. Staff shall not authorise expense claims, invoices or other similar documents received from close relatives or partners, but shall ensure these are signed by an alternative Authorised Signatory.

39. Any member of staff who becomes aware, or suspects any form of, financial irregularity, in respect of accounting, security of assets, or financial transactions, is required to inform immediately their Head of Department, who in turn shall report all such incidents to the Chief Officer. Chief Officer shall promptly report such irregularities to the Finance Committee .
40. Where a financial irregularity appears to involve a criminal act and/or a disciplinary offence, the Chief Officer shall report the matter to the Trustee Board to agree the appropriate course of action.
41. All staff should adhere to **Foresight's Fraud Policy**.

#### **Gifts and Hospitality**

42. All unsolicited 'gifts' received from 'external parties' are the property of Foresight.
43. In line with the **Bribery policy**, where the value of such a gift exceeds £25, the member of staff is required to submit a declaration form to the Finance Officer as soon as the gift has been received.
44. Hospitality received from external parties, which goes beyond refreshment appropriate to the circumstances, should also be declared to the Finance Officer (via the declaration form).
45. On those occasions where hospitality is provided by Foresight to visitors or to members of staff, expenditure should be reasonable and appropriate to the circumstances and, wherever possible, in-house catering facilities should be used.
46. Finance Officer shall maintain a Register of notified gifts and hospitality received.
47. All staff should adhere to the **Bribery policy**.

#### **Income**

48. The Finance Officer shall make and maintain adequate arrangements for the financial organisation, accounting and book-keeping necessary to ensure the proper recording of all sums due to Foresight.
49. Each Head of Department shall make and maintain adequate arrangements for the collection, custody, control, disposal, and prompt and proper recording at the time of receipt, of all cash and cheques received, in such manner as advised to be appropriate by Finance Officer.
50. Each Head of Department shall ensure that all accounts for income, due to Foresight, are raised within fourteen days on an official Foresight Letter headed invoice which provides particulars of all charges to be made for work done, services rendered, or goods supplied by the Department. Sales invoices should be promptly forwarded to Finance Officer for scrutiny (unless alternative arrangements have been agreed in writing) who shall arrange for their despatch. VAT shall be applied where necessary.
51. The Chief Officer will approve the fees for services provided in liaison with the Finance Officer.
52. Chief Officer is authorised to enter into contracts and agreements with third parties for activities/services. He must promptly notify the Finance Officer with regards to the details of all monies due to Foresight under Agreements prepared by them (including contracts, leases, tenancy agreements, agreements for sale of property, and any other agreement which involves the receipt of money by Foresight. At the earliest opportunity, they shall provide the Finance Officer with a copy of each completed document.
53. Finance Officer shall ensure that:
  - there are adequate controls over the raising of debts in respect of all Foresights activities ; all debts are collected promptly; and
  - outstanding balances are reviewed regularly.
  - An annual report shall be made to the Finance Committee of debts over one year old.
54. Application for the write-off of debts should be sent to the Chief Officer for approval. Write-offs in excess of £5,000 shall only be actioned after consideration of a report thereon by the Finance Committee and their subsequent approval. The Finance Officer shall maintain a Register of all bad debts written-off.
55. Every cash sum received on behalf of Foresight by a cashier or other member of staff shall be immediately recorded in an appropriate manner. An official receipt or voucher shall be issued to acknowledge the cash received unless alternative arrangements have been agreed with Finance Officer. Likewise, where money which is accountable to Foresight is transferred from one member of staff to another, such transfer shall be acknowledged by the issue of an official receipt or, where appropriate, by signature in a cash accounting record kept by the Department. Cash should

only be retained by a department where secure facilities are available and up to the limit provided by Foresight's insurance policy as notified by Finance Officer.

56. Each Head of Department shall make every effort to ensure that all cheques received in respect of their activities, which are accountable to Foresight, are made payable to "Foresight North East Lincolnshire". Instructions for payment to Foresight by BACS should be forwarded to Finance Officer for signature.
57. All income received on behalf of Foresight in any Department shall be deposited at the Financial Office but, in special cases, the Finance Officer may approve income to be deposited directly with Foresight's Bank.
58. All income shall be deposited at the Financial Services Office (or directly banked if appropriate) not less often than weekly, except where total income received is in excess of £1,000 where it shall be deposited within one working day, and where cash exceeds insurance limits when it shall be deposited immediately.
59. All income shall be deposited intact. Payments shall not be made from income, unless by written agreement with Finance Officer. Personal cheques or other such instruments may not be substituted for cash.
60. Finance Officer shall arrange for all income received in the Financial Services Office to be deposited into Foresight's Bank Account not less than once weekly.
61. All official receipt books, invoices, order forms and other such stationery shall be in a format approved by Finance Officer, who will also approve arrangements for ordering, controlling and issuing of such stocks to each Head of Department.

### **Insurance**

62. All insurances of Foresight shall be under the direction and control of Finance Officer, who shall be responsible for all liaison and negotiations with insurance brokers.
63. Finance Officer shall arrange for a periodic review of risk management and insurances to identify the nature and extent of risks and the appropriate actions including insurance and/or risk reduction.
64. Finance Officer shall keep a register of all insurances effected by Foresight and the property and risks covered.
65. Heads of Department shall ensure that all insurance cover requirements are arranged solely through the Finance Officer. Claims for reimbursement of expenditure pertaining to any other insurance will only be paid at the discretion of the Finance Officer.
66. Heads of Department shall immediately notify Finance Officer of any new types of risks, new premises, or equipment valued in excess of £10,000, to be insured, together with the amount of cover required, and, further, shall notify any change in circumstances which may affect existing risks and insurances.
67. Heads of Department shall advise Finance Officer immediately of any loss or circumstance which may give rise to an insurance claim. All claims shall be prepared by Finance Officer, in conjunction with the Head of Department, for submission to the insurers.
68. Heads of Department shall not give an indemnity to any person unless its terms have been approved by Finance Officer.
69. The Chief Officer, and where appropriate any other Head of Department, shall advise Finance Officer of occasions when the reliance on a proposed contract for goods, building works, services, or maintenance may justify the cost of providing against default – for example, by requiring a supplier or contractor to secure a performance bond.
70. All monies due and received from insurers shall be deposited at the Finance Office for credit to a Foresights bank account.
71. The Chief Officer shall keep suitable records to ensure that the inspection of such plant which is normally carried out by an Insurance Company, is carried out by the Company within the prescribed period. In the event of any failure by an Insurance Company to carry out inspections during the prescribed period, Finance Officer shall be notified immediately.

### **Internal Control**

72. Responsibility for internal control within a Department rests fully with each Head of Department, who should ensure that appropriate and adequate arrangements exist within the Department to safeguard all assets and resources, and

compliance with Foresight's policies and these Financial Regulations. Relevant records should be maintained which should be as complete and accurate as possible and retained securely.

73. All Heads of Department shall ensure that the duties of their staff are segregated so that no individual member of staff records and processes a complete transaction (e.g. no individual member of staff should be responsible for placing orders, receiving deliveries, and passing or approving invoices for payment). Where resources only allow for one member of staff to carry out the administrative duties of the Department, then the Head of Department should at the very least ensure batches are authorised as outlined in Financial Regulation 79 by a different member of staff (ideally by the Head of Department).
74. Finance Officer will only process standard accounting forms which have been properly certified and then independently authorised by an Authorised Signatory.
75. Each Head of Department shall ensure that:
- any financial management information produced within the Department is reconciled to that produced by Finance Officer;
  - the Finance Committee is notified of any significant errors or discrepancies discovered in the information produced by Finance Officer.
76. The Finance Officer shall arrange for financial and other related documents to be retained in a secure and accessible manner for the appropriate periods.

The documents referred to below should be retained for the periods shown, in addition to the current Financial Year:

<b>Document</b>	<b>Years</b>
Copy Orders	7
Suppliers' Delivery Notes	2
Till Rolls	7
Copy Official Receipts	7
Records of Purchase Invoice Batches	7
Inter-Departmental Orders/Invoices	2
Copy Pay-In Slips	7
General Correspondence (not Central Files)	2
Suppliers' Paid Invoices	7
Sundry Debtors Accounts	7
Control Account Print-outs	7
Control Account Reconciliations	7
Paid Cheques	7
Bank Statements and Supporting Docs	7
Bank Reconciliation Statements	7
Credit Transfer Listings	7
Cancelled Cheques	7
Stopped Cheques	7
Insurance - Correspondence	7
Insurance - Policies	7
Final Account Working Papers	7
Income Tax Records	7
Payroll - Annual Earnings Summary	7
Payroll - Payslips	7
Employees' Time Sheets	2
VAT Records	7
VAT Returns	7
Journal Transfers 6 A N	7
Contract Documents - under seal	7

#### **Investments**

77. The Trustee Board shall make arrangements and be responsible for the long term investment of the funds of Foresight (or of its associated Business).

#### **Legal and Professional Advice**

78. The prior approval of the Finance Committee is required in respect of expenditure incurred in obtaining legal and professional advice above £4,000. Approval to proceed with litigation is also required where the financial risks exceed this limit.

## **Goods and Services**

79. Each Head of Department shall ensure that equipment, goods and services are obtained economically and on the most advantageous terms, in accordance with the following: the appropriate Foresight
- Tendering and Ordering procedures, as laid down in the guidance issued by Finance Officer;
  - Prior to placing an order, the Head of Department shall ensure that:
  - All relevant costs (including purchase, VAT, delivery, installation, storage, operating, servicing, maintenance, disposal, and contract conditions) have been properly considered.
  - The cost can be met from within an approved budget, allocation or departmental credit balance
  - Prior to placing an order to purchase any goods or services authority must be sought initially from the Head of Department. If the cost is more than £500 but less than £4,000 you will need to collect three quotes which must be attached to a completed Purchase Order Form. This form must be signed by the Head of Department first and authorised by The Chief Officer. For orders over £4,000 but under £10,000 the Authorising signature on the Purchase Order Form must be The Chief Officer and Treasury after consultation with Finance Committee . Expenditure over £10,000 has to be approved at a board meeting.
  - After authorisation the Department Head can order the goods keeping the Purchase Order Form on delivery all orders should be checked to match Order Form and signed again to prove who has checked the order.
  - Only the Finance Committee can agree to provide a cheque prior to goods or services being delivered under special circumstances. If a cheque is required prior to goods or services being ordered then complete a cheque requisition form and follow the above procedure.
80. The following information must be recorded for each Purchase Order Form issued:
- a description of the goods or services required;
  - cost (and any discount) including VAT;
  - quantity;
  - date and place of delivery; and
  - relevant account code.
  - The completed order form shall be signed by an Authorised Signatory, or authorised on-line by an appropriate member of staff.
81. The Finance Officer shall arrange to review, at intervals not exceeding five years, the provision of the following services: banking, insurance, external audit and investment management.
82. Authorised Signatories may authorise the issue of a Foresight Purchase Order Form for goods and services up to £100 intended for personal use of staff, on condition that payment is made by that staff member immediately on delivery of the goods or services. In all cases, consideration shall be given to the correct treatment of VAT.
83. In the case of internal services, alternative forms may be used provided that these have been approved by Finance Officer.

## **Payments**

84. Every purchase invoice shall be checked to ensure that the goods or services have been received in accordance with the original order as regards description, cost, quantity and quality, and signed by the member of staff responsible for this check.
85. The certification delivery note/timesheet/expense claim, or the approval of any document shall mean that the member of staff responsible checking is satisfied that:
- the goods have been duly received and approved in accordance with the original order or contract as regards description, price and quantity, and are of acceptable quality;
  - the work or services rendered have been satisfactorily carried out, materials used were of the requisite standard, and charges are correct;
  - the expenses being claimed are supported by original receipts or conform to the requirements laid down for claiming expenses paid on a per diem basis;
  - each document is arithmetically correct;
  - each document included has not previously been passed for payment. To comply with the above, staff certifying the batch should ensure that all documents presented for certification are supported by relevant documentation. To this end, they should be presented with the following:
  - original invoice appropriately marked;
  - a copy of the original order; and
  - the goods received/suppliers delivery note; or ensure that a suitable system is in place within the Department to satisfy these requirements.

86. It is recommended that payment before delivery of goods or services is resisted. However, where such advance payments are customary because of the nature of goods or services to be supplied, Heads of Department should ensure that appropriate guarantees are provided by the supplier. In the case of large payments, the advice of the Treasurer/Chief Officer should be sought.
87. All expenditure sheets authorised by an Authorised Signatory and all certificates for payments under contracts shall be forwarded to Accounts Payable in Finance office without delay, and certainly in adequate time for payment to be made to secure any discounts.
88. Finance Officer may make such checks and examine such invoices submitted for payment as considered necessary, and will not process any payment which includes a document or documents that are:
  - presented with incomplete, inaccurate, illegible or incorrect documentation;
  - supported by a Supplier's Statement and not an invoice;
  - supported by a photocopy of an original invoice (unless certified that the original has been lost and clearly marked "COPY").
89. Finance Officer may approve arrangements for ordering goods and services by way of a charge card and settling the debt by automatic bank debit.
90. No member of staff shall prepare or complete an invoice on behalf of a supplier. In exceptional circumstances, staff may request the permission of Finance Officer to invoice Foresight personally.

### **Payroll**

91. Payment of all salaries shall be made through Finance Officer. Payments to staff (permanent and temporary) shall be at approved salary rates. Payments to individuals, other than Foresight staff, shall be supported by adequate evidence of work performed, and approved by an Authorised Signatory.
92. Foresight's payroll is run on the last Friday of the month except in December when it is the last Friday before Christmas. The Finance Officer is responsible for the payroll payment a The Finance Manager is responsible for the payroll payment arrangements which are reviewed by the Chief Financial Officer and approved by two authorised signatories
93. In the event that an error is made in calculating the salary of an employee resulting in an overpayment, Foresight's reserves the right to recover the overpayment from any future salary payments due to the employee. In the event that a salary overpayment is brought to the attention after the employee has left Foresight's employment, the Finance Officer will contact the employee to arrange an alternative method of repayment.
94. All non-recurrent payments to members of staff (including overtime, consultancy fees, ex-gratia payments, etc) or other individuals (including casual labour, occasional clerical or secretarial support, etc), which are deemed to be remuneration for work done or services rendered, must be processed through Payroll and shall be supported by adequately certified documentation, signed by an Authorised Signatory (except that staff cannot authorise payments to themselves, in which case the a member of the Financial Committee must sign). Such payments are subject to deduction of income tax and national insurance, unless exemption has been obtained from H M Inspector of Taxes or NI Contributions Agency.
95. Payroll shall not include on Foresight Payroll any new appointment unless it is supported by a copy of the letter of appointment signed by the Chief Officer or designate, together with an accurately and correctly completed Staff Record Form.
96. Heads of Department shall immediately notify the Finance Officer of the resignation of any member of staff or where any newly appointed member of staff does not commence work on the given start date.

### **Petty Cash Floats**

97. Finance Officer shall maintain an imprest account of such amount as may be required for making departmental petty cash float advances and for petty cash payments.
98. Finance Officer may provide Heads of Departments with a petty cash float, for the purpose of defraying minor expenses incurred by staff on departmental activity. The Finance Officer will determine float values. A receipt shall be signed in respect of each float advance by the member of staff concerned, who shall be held responsible to account for, and arrange safe custody, of the float.
99. Heads of Department shall ensure that adequate security arrangements are in place to hold petty cash floats.



100. Under no circumstances shall a petty cash float be used to reimburse personal expenditure, payments of wages or salaries, temporary loans to staff or students, or to cash cheques.
101. Vouchers or receipts for petty cash disbursements shall be obtained, carefully preserved, and forwarded to the Finance Officer with the departmental petty cash float Reimbursement Form, duly reconciled and authorised by an authorised signatory. No individual payment out of a Departmental petty cash float shall exceed £100.

### Security of Computing Facilities

102. Each Head of Department shall ensure that all staff and students are made aware of, and adhere to, the Computing Regulations issued by the Information Systems Division.
103. The Director of the Information Systems Division shall ensure that a disaster recovery plan is prepared and regularly reviewed in respect of critical computing areas within Foresight.

### Stocks, Stores and Equipment

104. All Heads of Department are responsible for maintaining suitable records and applying strict controls over all stocks, stores and equipment within their custody, including arrangements for recording equipment on loan or located at the home of an employee.
105. A delivery note must be obtained from the supplier for all deliveries. The goods should be checked, as regards quantity, at the time of delivery and the quality and compliance with the original order as soon as possible thereafter.
106. Each Head of Department shall maintain an inventory of all computer and ancillary equipment, irrespective of cost, and any other equipment costing in excess of £2,000, detailing date of purchase, cost, description, serial number, supplier, source of funding, and location.
107. Each Head of Department shall ensure that physical stock and inventory checks are carried out annually, or more frequently where the stockholding is of a high value or of an attractive nature.
108. Each Head of Department shall arrange for the completion of an annual stocktaking record in respect of all stocks and stores under the Department's control as at 31 July each year, certifying that the particulars shown are correct. Where the value exceeds £2,000 in total, the Head of Department shall forward the signed record to Finance Officer.
109. Finance Officer shall arrange random checks of stocks and stores as considered necessary.
110. Each Head of Department shall ensure that significant surpluses, deficiencies, or losses of stocks, stores, and inventory items are reported immediately to the Treasurer, who shall report as appropriate to the Finance Committee.
111. Any Assets (including stores, furniture and equipment) deemed to be surplus to requirements or obsolete shall not be disposed of by sale or destruction unless:
- the authorisation of the Head of Department has been given where, in the view of the Head of Department, the estimated market value is less than £20, over £20 with advice to the Chief Officer;
  - the authorisation of the Finance Committee where the estimated market value is between £4,000 and £10,000;
  - the authority of Trustee Board where the estimated market value exceeds £10,000.
112. All sales transactions will be subject to VAT.

### Tenders and Contracts

113. When obtaining goods, services or equipment, the following limits apply in respect of quotations or tenders. The formal tendering procedures, should be followed, where appropriate. Distinct procedures apply in relation to building works and related services and supplies.

£ (Excluding VAT)	Requirements	Authorisation
Under £ 500	Competitive quotations should be sought, where it appears that the benefits of competition are commensurate with the administrative and other costs involved.	Head of Department
£501 – £4,000*	At least three competitive tender bids or written quotations	Head of Department & Chief Officer

£4,000-£10,000	A minimum of three competitive tender bids, and where practical more than three, in order to obtain the most competitive price. Exceptions may be appropriate where the product is a standard catalogue item, in which case at least three written quotations may be appropriate rather than competitive tender bids.	Chief Officer and Treasure
Over £10,000	EC Tendering Procedures apply <i>except for Works contracts where a minimum of three and a maximum of six written competitive tenders shall be obtained</i>	Board of Trustees

114. Threshold values, quoted above, are exclusive of VAT.

115. These figures refer to the total order value. Like items should be aggregated together in order to obtain best value from the supplier.

### **Property, Building and Engineering Works and related Services and Supplies**

116. All tenders and contracts for works or services relating to the acquisition, construction, adaptation or improvement of property or engineering works, however financed, shall be administered in accordance with the Buildings Committee. In view of the likely VAT consequences of any building or engineering works, the Finance Officer should be consulted, where appropriate, at the pre-tender stage. In this way, any adverse VAT consequences might be avoided by careful planning.

117. Where architects or consultants are commissioned, they shall be instructed that all expenditure incurred (including additional expenditure arising from variations made during the progress of the work) must not exceed the approved budget for the Project unless previously authorised, in writing, by the Trustee Board.

118. During the term of a contract, the building document, signed by the parties involved, together with the drawings, bills of quantities, and/or specifications forming part of the contract, shall be kept by the Finance Officer.

119. Before an architect or consultant issues the final certificate, the final account and other related documents may be referred to the Director of Estates and Facilities for such examination as he may consider necessary.

### **VAT/HMRC**

120. Note: VAT legislation is a complex area with frequent changes and amendments. Anyone, who is uncertain as to the correct VAT treatment of a specific item or requires advice on the general principles of VAT, should contact Finance Officer.

121. Foresight is registered for VAT and must charge VAT on any goods or services it provides which do not fall to be exempt or outside the scope.

122. It is essential that Heads of Department refer to the Finance Officer whenever they undertake any new activities, including provision of services, sales of goods and sponsorship arrangements, in order to obtain a ruling on the liability to VAT. Such a ruling must be obtained before any prices are quoted to customers, contracts signed or any work is undertaken.

123. Where departments are charging their customers VAT on the provision of goods or services, they can recover all the VAT on their purchases and payments that relate directly to those sales.

124. Where departments are involved in activities for which they charge their customers VAT, and activities for which they do not, or are a central service department, then a proportion of the VAT incurred on the general purchases and expenses of the department can be recovered.

125. Heads of Department should always ensure that a valid tax invoice is obtained from their suppliers, without which VAT cannot be recovered, where applicable. By virtue of its charitable status, Foresight is able to obtain zero rating on certain equipment to be used by the disabled user. Individuals signing VAT Zero-rating certificates should ensure that the equipment is eligible for the relief. If there is any doubt, they should refer to Finance Officer.