



MidKent College



MKC Training Services Limited

Group Financial Regulations

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1. GENERAL OVERVIEW

Financial regulations provide an essential framework to ensure the interests of both the College and the individual are protected. They set out the rules for the proper administration of the College's financial affairs and are supported by detailed Financial Procedures.

The Financial Memorandum between the College and the Department For Education (DFE), sets out the terms and condition on which the grant is made. The Governing Body is responsible for ensuring the terms and conditions of grant are met. As part of this process, the College must adhere to the Audit Code of Practice, which requires the College to have sound systems of financial and management control. The Financial Regulations of the College form part of this overall system of accountability.

MidKent College is an exempt charity under the Part 3 of the Charities Act 2011 and from 1st September 2013, is regulated by the Secretary of State for Business, Innovation and Skills as Principle Regulator for all FE Corporations in England. The members of the Governing Body, who are trustees of the charity.

MKC Training Services Limited is a wholly owned subsidiary of MidKent College and has a successful track record for supporting employers, training providers and awarding organisations.

The primary activity of MKC Training Services Limited is to deliver training and asset management services to the Royal School of Military Engineering. As experts in the design and delivery of innovative teaching, learning, assessment and training design, they provide a stimulating environment to help individuals and organisations achieve their goals. They have deep subject specialism and knowledge across construction, engineering and the associated professional skills.

1.1. Status of Financial Regulations

This document sets out the College's financial regulations. It applies to both the College and its subsidiary company as part of the wider Group.

The College's financial regulations should be used in conjunction with the published College Financial Handbook 2025, which includes a schedule of musts; a list of requirements used as a tool for auditing Regularity. This helps ensure the College's financial regulations remain compliant with Managing Public Money (MPM). Compliance with the Financial Regulations is compulsory for all staff connected with the Group.

Any member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under the College's Disciplinary Policy. It is the responsibility of all managers to ensure that staff are made aware of the existence and content of the College's Financial Regulations and Procedures and their location within the Colleges Intranet pages (share point) within policies and finance pages. Where specific matters are not directly covered by the Financial Regulations, they should be resolved within the spirit of the policies and guidelines contained herein.

The Finance and Resources Committee will approve the Finance Regulations and together with the Chief Financial Officer (or deputy) will advise the Governing Body of any changes or additions where necessary.

The Groups detailed Financial Procedures set out in detail how the Financial Regulations must be implemented. Queries relating to the Financial Regulations or Financial Procedures should be directed to the Chief Financial Officer or the Finance and Procurement Manager.

1.2 Waiver of Financial Regulations

The Principal & Chief Executive Officer shall have delegated powers to waive Financial Regulations where necessary to ensure sound financial control and the effective running of the financial affairs of the College, subject to any powers reserved to the Group itself. All requests for financial waivers must be on the necessary form (Waiver of Financial Regulations Form) and be accompanied with confirmation from the Group Finance Manager that the financial implications for the College have been taken into account and such waivers shall be reported to the Principal & Chief Executive Officer. The Group Finance Manager shall maintain a record of all waivers for inspection at Corporation meetings and by Internal and External Audit as part of the annual report.

2. FINANCIAL CONTROL AND RESPONSIBILITY

2.1 The Governing Body

The Governing Body is responsible for the management and administration of the Group. Its financial responsibilities are:

- Ensure the solvency of the Group
- Safeguard the Group's assets
- Ensure the effective and efficient use of the Group's resources
- Ensure that the funds provided by the Department For Education (DfE) and other relevant funding bodies, are used in accordance with the terms and conditions specified in the College's Financial Memorandum with the DfE.
- Ensure that financial control systems are in place and working effectively (to include compliance with the additional controls required as a result of the Office for National Statistics (ONS) review and change to the FE sector reclassification.)
- Ensure that Group complies with the Audit Code of Practice
- Approve the College's Strategic Plan
- Approve annual budgets of income and expenditure and annual financial statements for the Group
- Appoint the College's internal and Group external auditors

2.2 Finance and Resources Committee

The Finance and Resources Committee shall advise the Governing Body, as appropriate, in all aspects of its finances, financial policies and controls. The

Committee will oversee and monitor the progress of the College's Strategic Plan in relation to Finance, Estates and Facilities, People Team and Information and Communication Technology (ICT) services.

Full terms of reference for the Finance and Resources Committee are approved annually.

2.3 Group Risk and Audit Committee

Colleges are required by their Financial Memorandum with the Department for Education and by the Audit Code of Practice to appoint a Group Risk and Audit Group Risk and Audit Committee. The committee is Independent, advisory and reports to the Governing Body. It has the right of access to obtain all the information it considers necessary and to consult directly with both of internal and external auditors. The committee is responsible for identifying and approving appropriate measures for internal and external audit and for monitoring their performance. It must also satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

Full terms of reference for the Group Risk and Audit Committee are approved annually.

2.4 Remuneration Committee

The Committee are required to ensure that Senior Post Holder remuneration and contracts comply with the controls and limits in place as a result of the reclassification of the FE Sector following the Office for National Statistics (ONS) review.

2.5 The Principal and Chief Executive Officer

The Principal and Chief Executive Officer (Principal & CEO) is the College's designated accounting officer and is responsible for the financial administration of the Groups affairs. As the designated officer, the Principal & CEO may be required to justify any of the College's financial matters to the Public Accounts Committee at the House of Commons.

The Principal & CEO shall:

- On behalf of the Governing Body, be responsible for ensuring economy and efficiency in the use of the resources of the College and will set up appropriate mechanisms to monitor other members of staff in this respect
- On behalf of the Governing Body, be responsible for ensuring that the Group adheres to the financial controls in place as a result of the reclassification of the FE Sector following the ONS review
- After considering advice and guidance given by the Chief Financial Officer (or deputy), be responsible for ensuring the implementation of the College's financial operations
- Have responsibility for the submission to the Governing Body of such budgets and estimates of income and expenditure as the Governing Body may require from time to time.
- Be the final arbiter in the interpretation of the College's Financial Regulations and shall receive the written advice of the Chief Financial Officer (or deputy)

2.6 The Chief Financial Officer (or deputy)

The Chief Financial Officer (or deputy) shall control the Group day-to-day financial administration. The Chief Financial Officer shall be consulted on any matter which is liable to materially affect the financial position of the College, before any provisional or new commitment is incurred or before any report thereon is made to the Corporation

The Chief Financial Officer (or deputy) is responsible for:

- The administration of the financial affairs of the Group
- Preparing comprehensive annual budgets for income, expenditure, cash flow and financial health
- Preparing financial plans, accounts management information, monitoring and control of income and expenditure budgets and targets and all financial operations
- Preparing the Group's annual accounts and other financial statements and accounts which the College is required to submit to other authorities
- Ensuring the Group maintains satisfactory financial systems
- Providing professional advice on all matters relating to Group Financial policies and procedures

2.7 The Executive Group

Members of the Executive Group are responsible to the Principal & CEO for financial management in their own areas. They shall be advised by the Chief Financial Officer (or deputy) in the execution of their financial duties. The Chief Financial Officer (or deputy) will also supervise and approve the financial systems operating within their departments, including the form in which accounts and financial records are kept.

Members of the Executive Group are responsible for establishing and maintaining clear lines of responsibility, within their department, for all financial matters.

Where resources are devolved to Managers, they become accountable to their respective Senior Manager for that budget.

2.8 MKC Training Services Limited Board of Directors

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time the financial position of the company and enable them to ensure the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

2.9 All Members of the Group Staff or agents of the College or MKCTS

All members of the Group Staff shall:

Have a general responsibility to protect the Group's assets, for avoiding loss and for due economy in the use of resources. Assets include information and goodwill as well as property. They must comply with the systems of financial control as laid down by the Chief Financial Officer (or deputy) and with any reasonable directions made by the

Managing Director of MKCTS (for MKCTS) or Principal & CEO or in relation to his control of budgets and the keeping of records of the College or Group.

Make available any relevant records or information to the Chief Financial Officer (or deputy) or authorised representative in connection with the carrying out of their duties of implementation of the College's financial policies and systems of financial control

Provide the Chief Financial Officer (or deputy) with such financial and other information as may be deemed necessary to carry out the requirements of the Governing Body. Where information is required in connection with an insurance claim against the Group, it is essential that the information is provided promptly

2.10 Budget Holders

Budget Holders are responsible for their individual management and control of the Group's financial resources allocated to them. They play a key role in ensuring that expenditure is properly authorised, resources are used effectively, and the Group remains financially sustainable.

All Budget Holders must comply with the Groups Financial Regulations, Procurement Policy, delegated financial authority limits, DfE rules, and all internal Finance policies and procedures.

3. PLANNING AND OVERARCHING BUDGET PROCEDURES

3.1 Financial Planning

The Chief Financial Officer (or deputy) is responsible for preparing, annually a rolling financial plan for approval by the Governing Body and for preparing financial forecasts for submission to the DfE. Financial plans should be consistent with the strategic plans and estates strategy approved by the Governing Body.

All Executive Directors shall be responsible for contributing to the integrated planning process, which shall incorporate plans for workforce, service delivery and quality and capacity and any efficiency planning.

All Budget holders are required to sign up to their financial plans prior to start of each financial year and highlight any concerns of risks before signing.

The College will maintain a structured, forward looking financial planning regime comprising;

- The Strategic Plan (typically 3–5 years);
- The Financial Plan and related forecasts submitted to the DfE
- The Annual Budget
- The Capital Budget
- Long-term cashflow and treasury forecasts.

3.2 Budget Setting Principles

Budgets are prepared annually and aligned with the Group's strategic priorities, curriculum plans, and student number projections.

The budget must be:

- Realistic, evidence-based and affordable
- Developed using prudent and consistent assumptions
- Supported by curriculum planning and staffing models
- Fully compliant with DfE funding guidance and Group policies.

Budget Holders are responsible for contributing to the business planning process by:

- Identifying resource needs and savings
- Reviewing historical expenditure
- Providing accurate forecasts
- Proposing efficiency improvements where appropriate
- Identifying and submitting capital expenditure requests

3.3 Approval of Budgets

The Governing Body & Board are responsible for approving the annual budget and financial forecasts, following recommendation by the Finance & Resource Committee.

No expenditure may be committed before budget approval unless explicitly authorised by the Principal & CEO or Chief Financial Officer under delegated powers.

Approved budgets constitute the authority for Budget Holders to incur expenditure within agreed limits.

3.4 Monitoring and Reporting

Monthly budget monitoring reports will be produced by the Finance Team and circulated to Budget Holders.

Monthly management accounts reports are produced by the Finance Team and are reviewed and approved by the Chief Financial Officer. Once approved, these reports are shared with the Executive Team.

Reports must include:

- Actual expenditure and income to date
- Variance analysis
- Year-end forecasts
- Commentary on risks and required corrective actions.

Budget Holders must review their Budget reports and work with the Finance Team to address areas of concern.

Material variances will be reported to the Finance & Resource Committee with accompanying explanations and recommendations.

3.5 Cashflow Forecasting

The College must maintain accurate and timely cash flow forecasts to ensure it can meet its financial obligations, manage liquidity risks, and comply with DfE financial health expectations.

Cash flow forecasting supports effective treasury management and early identification of funding pressures or surpluses.

3.5.1 Responsibilities

The Chief Financial Officer has overall responsibility for cash flow management.

The Finance Team is responsible for preparing, maintaining and reviewing cash flow forecasts.

Budget Holders must provide timely information relating to significant planned expenditure, income delays, or commitments that may impact cash flow.

3.5.2 Forecasting Process

The Finance Team prepares cash flow forecasts covering at least 12 months, updated monthly or more frequently if required

Forecasts incorporate:

- Expected DfE funding receipts
- Learner loan and apprenticeship income
- Commercial and project income
- Subsidiary Management Payments
- Sundry Income
- Payroll costs
- Supplier payments
- Capital commitments

3.5.3 Review and Analysis

The Chief Financial Officer reviews forecast to assess liquidity, identify pinch points, and evaluate whether minimum cash balances and covenant requirements will be met.

Sensitivity analysis may be undertaken for high-risk assumptions (e.g., recruitment, utilities, or major projects).

3.5.4 Monitoring and Reporting

Variances between forecast and actual cash movements are analysed monthly.

Any emerging cash pressures or risks must be escalated promptly to the Chief Financial Officer and Executive Team

Material risks or changes to liquidity must be reported to the Finance & Resource Committee.

3.6 Reserves and Contingency

The College must maintain a level of reserves consistent with ESFA financial health expectations and internal risk appetite.

A contingency may be included within the budget to manage unforeseen costs or income fluctuations.

Use of reserves or contingency requires approval from the Chief Financial Officer and, where material, the Governing Body or Board.

3.7 Non-Compliance

Failure to comply with these procedures may result in corrective action, including withdrawal of budgetary authority.

Persistent or serious breaches may be treated as a disciplinary matter.

3.8 General Ledger

The General Ledger is the primary financial record of the Group.

These regulations ensure that all financial transactions are recorded accurately, consistently, and in accordance with applicable accounting standards and the Group's financial policies.

3.9 Chart of Accounts

The structure of the Chart of Accounts will be determined by the Chief Financial Officer (or deputy).

Accounts codes, cost codes and project codes will only be opened (or closed) with the authority of the Chief Financial Officer, Finance Manager or Group Financial Controller.

Should any queries arise, whatsoever, regarding accounts codes, contact the Chief Financial Officer or Group Financial Controller.

3.10 GL Postings

The accounts payable system generates postings to the nominal ledger and the purchase ledger control accounts.

3.11 Journal Transfers

Any general ledger postings not generated from the creditors and debtors systems require a journal transfer posting. Thus, the journal transfer is the prime document.

All journal transfers must be authorised by one of the Chief Financial Officer (or deputy), Finance Manager or Group Financial Controller. A log of journal transfers must be maintained by the Finance team.

3.12 Payroll Transfers

Payroll postings are posted as a journal, from data provided by the payroll system once fully authorised in accordance with the delegated authority levels.

Should any queries arise, whatsoever, regarding accounts postings, contact the Group Financial Controller or Deputy.

3.13 Budget Adjustments and Virements

Virements between budget headings may be permitted within defined limits, subject to Financial Delegations approved by the Group.

All virements require formal approval by the Group Financial Controller and will be processed through the Finance Team.

Virements cannot be used to mask overspending or permanently increase base budgets without approval.

4. PURCHASING AND PAYMENT

4.1 General

No expenditure shall be authorised without budget approval, nor shall expenditure be authorised other than by the Chief Finance Officer whose authority shall be delegated to the responsible Budget Holder or their line manager in accordance with the provisions of section 5 below.

The Chief Financial Officer (or deputy) is responsible for making payment to suppliers of goods and services to the Group in a timely fashion. All accounts for payment must be certified by the manager responsible in accordance with financial procedures.

4.2 Value for Money

Value for money is economic, efficient and effective use of funds.

The governing body has a formal duty within the College's instruments and Articles to determine how the College assets are used and to review the College performance.

The terms of reference for each committee of the Governing Body establish their responsibility with regards to securing value for money.

The prime responsibility for achieving value for money lies with management. These responsibilities are set out in managers' job descriptions.

4.3 Building Works Contracts

The Facilities Managers are responsible for the administration of all contracts relating to the works on the College's sites and buildings.

All contracts are subject to approval in accordance with Financial Procedures.

The contract negotiations should ensure best value for money.

4.4 Authorisation levels

All expenditure requires authorisation. Authorisation levels are granted to post holders and not named individuals. Approval levels and policy are set within the finance department in consultation with the Chief Financial Officer. Cost areas have been given devolved budgets and authority for their own expenditure. With this authority comes responsibility and budget holders are accountable to operate within their budgets.

4.4.1 Order and Financial Commitment Procedure

Authorisation levels are approved by the Chief Financial Officer and are submitted to the Finance & Resources Committee annually, in conjunction with the annual budget.

MidKent College

Post	Authorisation Limit
Departmental Manager	£1,000
Director of Curriculum/Director of People	£2,000
Facilities Manager	£5,000
Executive Director	£10,000
Principal & Chief Executive Officer	£30,000
Principal & Chief Executive Officer & Chief Financial Officer	£100,000
Chair of F&R	£150,000
Chair of Governing Body	£250,000
Full Governing Body	£250,000 +

MKC Training Services Ltd

Post	Authorisation Limit
Faculty Manager/MIS & Commercial Manager/Operations Manager	£1,000
Divisional Manager / Director of Operations / Sector Directors	£5,000

Managing Director & Chief Financial Officer (MKC)	£10,000
Managing Director & Chief Financial Officer (MKC)	£150,000
MKCTS Board	£150,000 +

From time to time, signatories may be temporarily permitted authorisation rights in excess of their usual limits in order to accommodate exceptional circumstances, as recorded in the register.

4.4.2 Payment Authorisation Procedure

In instances where no purchase order is required to be raised, the payment requires the following approval:

Director of HR & Payroll	Payroll & payroll creditors (unlimited) but in line with budget approved by the Board
Facilities Manager	Utilities up to £20k (in total up to the budget limit, if in excess needs approval by Chief Financial Officer)
Exams Registry Manager	Examination fees up to £20k (in total up to the budget limit, if in excess needs approval by Chief Financial Officer)
Finance Manager/Group Financial Controller	Trade creditors, lease payments, Pension, balance sheet and intercompany
Group Financial Controller	Delegated approval on behalf of Chief Financial Officer to cover sick leave or annual leave authorisations cover £100k
Chief Financial Officer	Delegated approval to cover sick leave or annual leave authorisations cover £100k

All approval delegations must be approved prior to cover any annual leave/sickness and notified to Finance.

In respect of contracts, the full contract value should be used to refer to the authorisation limits for approval and not the annual costs.

The Finance department maintains a register of specimen signatures, cost centres and authorisation levels.

4.5 Procurement, Tenders, Quotations and Contracting Procedures

All purchases of goods and services are subject to the Group's Procurement Policy.

Summary of requirements for purchasing goods and services:

Purchases over £100,000.	Full tendering, unless no realistic competitive choice. In this event, reasons must be documented.
Purchases with a value of between £3,000 and £99,999.99	Requirement to obtain three quotations. Quotations in writing must be obtained prior to placing orders. Variations only acceptable on grounds of technical compatibility or lack of alternative suppliers. All quotes must be attached to the purchase order in eBis.
Purchases with a value of less than £3,000.	Requirement to obtain value for money and to act fairly and objectively.

For Emergency Facilities Works:

Purchases with a value below £10,000	Requirement to obtain value for money and to act fairly and objectively. 3 quotes not required for the approval process where there is an urgent need, i.e. for a health and safety issue or maintenance
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4.6 Group Purchasing Process

For Group expenditure, services or goods (excluding IT)

Procedure:

- An official College or MKCTS Purchase order is required for all group purchases, with the exception of utilities, Rates, Bank charges, Payroll Creditors, Google Advertising, Apprentice Incentives and Exams, unless approved by the Chief Financial Officer. All orders must be raised prior to the purchase.
- Orders may only be placed for legitimate group business or activity. It is forbidden to use official orders for personal use and such action may be deemed to be gross misconduct.

- All purchase orders can then be e-mailed to the supplier or complete the order over the telephone but always state the purchase order number.
- Orders via the Internet may only be placed with suppliers with whom credit accounts already exist and where a purchase order has been raised.
- All orders must clearly show the following:
 - a) Supplier's name, address and post code.
 - b) Description of goods and/or services, quantity and price.
 - c) Date of order and delivery point.
 - d) Correct accounts coding.
 - e) Correct project code, if applicable.
- All orders must be authorised electronically by the signatory in accordance with the authorised levels in use at the time. Current authorisation levels may be checked with Finance.
- Goods receipting must be completed within eBis and goods delivery notes must be checked, signed and held within the department. The Goods Receipting process is the authorisation to confirm the goods/services have been delivered and the invoice can now be matched and paid.
- All paperwork must bear the order number.
- All supplier invoices received must be sent to Finance immediately.
- All queries must be directed to the Finance team.

4.7 Central Purchasing (College only)

Procedure:

- An electronic purchase requisition is completed within the department and must be approved in line with the College authorisation levels as stated in section 4.6.
- An official College purchase order is required for all College purchases, with the exception of utilities, Rates, Bank charges, Google Advertising, Apprentice Incentives and Exams unless approved by the Chief Financial Officer. All orders must be raised prior to the purchase.
- An official College purchase order will be raised by the Central Purchasing team.
- Orders may only be placed for legitimate College business or activity. It is forbidden to use official orders for personal use and such action may be deemed to be gross misconduct.

- All purchase orders can then be e-mailed to the supplier or complete the order over the telephone but always state the purchase order number.
- Orders via the Internet may only be placed with suppliers with whom credit accounts already exist and where a purchase order has been raised.
- All orders must clearly show the following:
 - a) Supplier's name, address and post code.
 - b) Description of goods and/or services, quantity and price.
 - c) Date of order and delivery point.
 - d) Correct accounts coding.
- All Central Purchasing orders must be authorised electronically by the Purchasing Supervisor or other senior Finance team members.
- Goods receipting must be completed within eBis and goods delivery notes must be checked, signed and held within the department. The Goods Receipting process is the authorisation to confirm the goods/services have been delivered and the invoice can now be matched and paid.
- All paperwork must bear the order number.
- All supplier invoices received must be sent to Finance immediately.
- All queries should be directed to the Finance team

4.8 Payment Processing

4.8.1 Purpose and Scope

This section sets out the regulatory framework governing the processing of payments and the use of College credit cards. It applies to all staff involved in authorising, processing, or reviewing financial transactions on behalf of the College. The requirements ensure compliance with the College's financial controls, audit standards, and relevant statutory obligations.

4.8.2 General Principles

All payments made by the College must be properly authorised, supported by appropriate documentation, and recorded accurately in the College's financial systems.

Payments must only be made for legitimate business purposes and in accordance with approved budgets, College policies, and funding body requirements.

The College operates on a no purchase order, no payment basis, except where formal exemptions have been approved by the Chief Financial Officer (CFO).

4.8.3 Payment Methods

The Group Finance department may process payments through:

- BACS (preferred method)
- Faster Payments, where authorised by the Finance Manager or Group Financial Controller
- Direct Debit (Requires two approved bank mandate signatories)
- Group credit cards (approved card holders only)
- Petty cash (minimal use; subject to separate limits)
- Supplier cash payments are prohibited unless explicitly authorised by the CFO for exceptional circumstances.

4.8.4 Supplier Invoices

All invoices must be matched to an approved purchase order and goods receipt unless exempt.

Purchasing staff are responsible for confirming receipt of goods or services prior to payment.

Invoices must be addressed to the College's registered address and not to individual staff members.

The Finance Department will not process invoices lacking the required documentation.

4.8.5 Payment Timelines

The College aims to process all correctly submitted invoices within 30 days of the invoice date or according to contract terms.

Urgent payments will only be made in exceptional cases and will be processed by the Finance Manager and Group Financial Controller (or Deputy)

The Finance Manager will publish an annual payment run calendar and the BACS payment runs will take place every two weeks.

4.9 Credit Cards

Definition: To administer the purchasing of low value purchases below £250 for the College and MKCTS £500 with the use of a college credit card.

Procedure:

- GPC Lloyds VISA are for college use only and under no circumstances should they be used for personal purchases. Personal usage would be considered to be a breach of the Financial Regulations and will be reported to the Chief Financial Officer.

- All new card applications will be approved by the 2 of the following approvers: Chief Financial Officer, Finance Manager and Group Financial Controller. No credit cards will be issued to contractors or temporary staff.
- Cardholders are responsible for all expenditure on the card issued to them. Cards must not be given to other members of staff and pin numbers are to remain confidential. A breach of this regulation can be considered to be a disciplinary matter.
- Capital expenditure using credit cards must have approved capital purchase orders prior to making the purchase. (Only the Chief Financial Officer can authorise Capital expenditure purchase orders).
- GPC Lloyds VISA should be used to make high volume, low value purchases. GPCs can also be used to make occasional "one-off" purchases where a supplier is not already held on the system.
- GPC Lloyds VISA are not replacing the existing "normal" method of purchasing via official purchase orders over the value of £250.
- All credit card purchases must be approved by the Budget Holder before the transaction has been processed.
- Under no circumstances should alcohol or petrol be purchased via a credit card, unless this has been pre-approved hospitality by the Principal & CEO or Managing Director of MKCTS.
- On receipt of the monthly statement all cardholders must reconcile their statement and provide itemised receipts for all transactions with an explanation to what the purchase is for. All reconciled and authorised statements must be provided to Finance by the 5th working day on the month following.
- All must be coded with a cost centre & expense code to allow the financial posting of the transaction into the group finance system.
- All monthly statements must be authorised by the card holder and line manager.
- The Finance Manager has the ability to deactivate cards and credit limits in the event of late statements being submitted or if insufficient funds within the card holder's budget.
- The Chief Financial Officer has the right to withdraw any credit cards at any time.

- Under no circumstances can a purchase over the credit limit can be split down into lower individual transactions and these will be reported to the Chief Financial Officer.
- In the event of a card being lost please inform the Finance Manager Immediately.
- In the event of any fraudulent transactions on your card please inform the Finance Manager immediately.

Midkent College - Credit Card Authorisation limits

Standard Transaction Limit	£250
Standard Monthly Limit	£2,500

Exceptions – Single Transaction Limit/Monthly Limit

Principal & CEO	£10,000/£15,000
Chief Financial Officer	£10,000/£15,000
Executive Director of Employer Engagement	£1,000/£5,000
Executive Director of Curriculum	£1,000/£5,000
Finance Manager	£1,500/£10,000
Group Financial Controller	£1,500/£5,000
Central Purchasing Team	£1,000/£10,000
Facilities Manager	£1,000/£5,000

MKC Training Services Ltd - Credit Card Authorisation limits

Standard Transaction Limit	£500
Standard Monthly Limit	£3,750

Exceptions – Single Transaction Limit/Monthly Limit

Managing Director	£1,000/£3,750
Commercial Director	£1,000/£3,750
Divisional Managers	£1,000/£3,750
Operations Manager	£1,000/£3,750
Faculty Manager	£1,000/£3,750
Head of TQI	£1,000/£3,750
Head of Line of Business	£1,000/£3,750
Executive Assistant	£1,000/£3,750
L&D and Quality Officer	£1,000/£3,750

4.10 New Suppliers and Modifications

4.10.1 New Suppliers

Procedure:

- All new suppliers' requests are completed by the purchasing individual and are requested via the online eBIS system.
- All requests must include the following information:
 - a) Supplier name
 - b) Supplier address
 - c) Contact details
 - d) Bank Details
 - e) Company Reg Number
 - f) Remittance email address
- All supplier requests must have the suppliers bank details on letter headed paper attached to the request. Failure to complete this will mean the new supplier will be rejected.
- If the supplier doesn't have a company registration number, both the purchasing department and potential new supplier must complete an Employment Status Form, to allow a HMRC IR35 check to be completed by Finance.
- Finance will check Companies House and call the registered phone number to complete a bank details check.
- Finance will approve or reject all new supplier request on eBIS.

4.10.2 Supplier Modifications

- All supplier modifications will be submitted via eBIS
- A letter headed document must be attached to the request to show the changes required.
- Finance will contact the supplier via the registered number to confirm the changes.
- Finance will approve or reject the supplier modification.

4.11 Hospitality

The use of group funds for hospitality purchases is applicable for external visitors only. The following procedure must be followed at all times.

Procedure:

- Governors, Directors or Budget Holders may request an MKC Hospitality card for use strictly following this procedure.

- MKC Hospitality cards requests must be sent to the Finance Manager by the Executive Director.
- MKC Hospitality cards can only be used on college premises at the campus refectories, Costa outlets or Oaks.
- Hospitality purchases are for external visitor business meetings only.
- Alcohol must not be purchased with a hospitality card or GPC card.
- For any large hospitality orders directly placed with our catering contractors, an order form must be completed with the budget holder's authorisation prior to the order being placed.
- All off site hospitality must be pre-approved by an Executive member before the event takes place and no alcohol can be claimed back unless pre-approved by a Group Executive Member.
- All hospitality claims via the expenses claim form or GPC card must have a full itemised receipt as a proof of purchase and also the Budget Holders approval.
- Any misuse of the college hospitality cards will result in the staff member being reported to the Chief Financial Officer.
- In the event of losing your college hospitality card, please report this to the Finance Manager ASAP.

4.12 Petty Cash

The claiming and payment from Petty Cash must follow the process at all times.

Procedure:

- Petty Cash reimbursements can only be made in respect of authorised expenditure on official group business or activities.
- Petty Cash reimbursements are limited to a maximum of £100.00 (One hundred pounds) each.
- All claims for Petty Cash reimbursements must be made on a group petty cash form.
- All claims for Petty Cash reimbursements must be signed by the claimant and authorised by the Budget Holder before submission for payment.

- Petty Cash claims MUST be supported by itemised receipts.
- In exceptional circumstances, it may be necessary to draw cash in advance. In such cases, a Cash Advance Form must be completed and authorised by the Finance Manager or the Chief Financial Officer. A Petty Cash Claim in respect of the advanced expenses must be submitted by the next possible working day. Any such advances are limited to £100.00 (One hundred Pounds) each.
- Personal expenses will be processed via a Petty Cash claim and must be processed via an Expenses Claim Form.
- All queries should be directed to the Finance team.

5. CONTRACTS AND LEASES

Contracts and leases relate to any agreement that the group enters into which commits the group to any on-going and recurrent expenditure. This includes any lease, rental, hire purchase or similar contract.

Procedure:

- All contracts, leases or similar agreements must be signed by the Principal & CEO or the Chief Financial Officer (or deputy). The appropriate Manager may be delegated by the aforementioned to sign specific agreements for and on behalf of the College. N.B for the purposes of this procedure, “agreement(s)” will cover all contracts, etc.
- All agreements must be ordered in accordance Group purchasing process with an official purchase order being raised within eBis
- All queries should be directed to the Finance team.
- A signed copy of all Contracts must be provided to the Executive Assistant to the Chief Financial Officer for filing centrally.

6. CAPITAL EXPENDITURE BUDGETS

Capital expenditure (“CapEx”) includes expenditure incurred on acquiring, constructing, or enhancing assets that will deliver economic or service benefits for more than one financial year.

This includes, but is not limited to:

- Construction, refurbishment, or major improvement of buildings and estate infrastructure

- Purchase of land
- IT hardware and network infrastructure
- Specialist curriculum equipment with an extended useful life
- Furniture and fixtures forming part of a capitalised project

Expenditure must meet the College's capitalisation threshold as set out below.

6.1 Capital Budget Setting

Annual Capital Budget

An annual capital budget will be prepared by the Finance Department in consultation with the Estates, IT, curriculum areas, and other service departments after the completion of Business Planning.

The capital budget must be consistent with the College's strategic plan, estates strategy, digital strategy, and long-term financial plan.

The draft capital budget shall be reviewed by the Executive Directors and recommended to the Governing Body for approval.

6.2 Management and Control of Capital Projects

Project Management

Each approved capital project must have a designated project lead responsible for delivery, compliance, and reporting.

Projects must follow the College's project management framework, including monitoring milestones, costs, risks, and procurement compliance.

6.3 Procurement Compliance

All capital expenditure must comply with the Group Procurement Policy and relevant public procurement regulations.

Competitive tendering must be used where required by thresholds or policy.

6.4 Purchases of software and ICT equipment.

The follow process must

Procedure:

- All software will be purchased by ICT and also to ensure it is compatible with group equipment and supportable in house.
- An official purchase order is required for all group purchases of software.
- Orders may only be placed for legitimate group business or activity. It is forbidden to use official orders for personal use and such action may be deemed to be gross misconduct.

- All purchase orders can then be e-mailed to the supplier or complete the order over the telephone but always state the purchase order number.
- Orders via the Internet may only be placed with suppliers with whom credit accounts already exist and where a purchase order has been raised. A GPC card payment can be made for Internet purchases.
- All orders must clearly show the following:
 - a) Supplier's name, address and post code.
 - b) Description of goods and/or services, quantity and price.
 - c) Date of order and delivery point.
- All orders must be placed by the ICT department and authorised by the ICT Budget Holder. Orders must be authorised in accordance with levels in use at the time.
- All goods delivery notes must be checked, signed and held within the department. The authorisation of the invoice must now be completed within the Financials system. Any discrepancies must be notified to the supplier immediately.
- Any supplier's invoices received must be sent to Finance immediately.
- All queries should be directed to the Finance team.

6.5 Capital Funding and Accounting

6.5.1 Funding Sources

Capital projects may be funded by:

- Government capital grants
- College reserves
- Borrowing (subject to Corporation approval)
- Third-party contributions
- Asset disposals

All funding arrangements must be approved by the CFO and comply with DfE requirements and any lender covenants.

6.5.2 Capitalisation and Depreciation

- Expenditure will be capitalised in accordance with applicable accounting standards (e.g., UK GAAP or FRS 102).
- Capitalised assets will be depreciated over their estimated useful lives as set out in the College's accounting policies.

6.5.3 Assets

6.5.3.1 Land, Buildings and Other Fixed Assets

The Chief Financial Officer (or deputy) is responsible for maintaining the Group's register of all its fixed assets.

The purchase of land, buildings and other fixed assets can only be undertaken in line with financial procedures and with reference to DFE requirements.

6.5.3.2 Inventories

In addition to the asset register, managers are responsible for maintaining an inventory of stock items for non-capital items valued in excess of £100.

Inventory records will be maintained in accordance with financial procedures.

6.5.3.3 Disposal of Assets

Assets may only be disposed of in accordance with financial procedures and with reference to DfE requirements.

6.5.3.4 Write-off of Assets

Managers are responsible for the security and safekeeping of assets which are under their control.

Assets with an original purchase price of less than £25,000 may only be written off with the approval of the Chief Financial Officer. Assets with an original purchase price in excess of £100,000 must have the approval of the Finance and Resources Committee. The Governing Body need to approve any disposal of Land and Buildings.

Assets lost as a result of theft or damage may be subject to an insurance claim. Such items must be reported to the Chief Financial Officer (or deputy) by the manager responsible in order that appropriate action may be taken.

6.5.4 Treatment of Fixed Assets

6.5.4.1 Land and buildings

Land and buildings inherited from the Local Education Authority (LEA) are stated in the balance sheet at valuation based on open market value for existing use as at 1 April 1993. Land and buildings acquired subsequently are included in the balance sheet at cost. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Buildings are depreciated over the expected useful economic life to the Group of 50 years with elements of the buildings depreciated at fewer years in order to comply with component accounting requirements as under:

Buildings and improvements	25 years
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Fixtures, Fittings & Equipment 10 years

IT Equipment 5 years

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy taking into account the requirements of component accounting in FRS 102.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 15 “Tangible fixed assets”, the Group followed the transitional provision to retain the book value of land and buildings, which were revalued in 1993, but not to adopt a policy of revaluations of these properties in future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 102.

6.5.5 Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the Statement of Comprehensive Income in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved
- Asset capacity increases
- Substantial improvement in the quality of output or reduction in operating costs
- Significant extension of the asset’s life beyond that conferred by repairs and maintenance

6.5.6 Equipment

Equipment costing less than £1,000 per individual item is written off to the Statement of Comprehensive Income in the period of acquisition, unless the purchase is part of a project that totals more than £1,000 and meets the criteria of a fixed asset. All other equipment is capitalised at cost.

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. All equipment is depreciated on a straight-line basis over its estimated useful economic life as follows:

Fixtures, Fittings & Equipment 10 Years
Computer Hardware 5 Years

Assets relating to a specific contract end date may have an accelerated straight line depreciation calculation applied to match the life of the contract.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the Statement of Comprehensive Income over the expected useful economic life of the related equipment.

6.5.7 Capitalisation of interest costs

All loan interest incurred on relevant borrowings is capitalised up to the date of practical completion. Following which, interest is charged to Statement of Comprehensive Income.

6.5.8 Sale and disposal of fixed assets

The Chief Financial Officer can authorise the sale or disposal of fixed assets to the net book value of £50,000 and the Principal & CEO and Chief Financial Officer have an authorisation limit of £150,000.

All sale or disposals over £150,000 require the authority of the Finance and Resources Committee.

Managers must complete an asset disposal request. The requests are submitted to the Chief Financial Officer and Resources for consideration and approval. The method of disposal will also be considered to ensure best value for money on sale where possible. The College/Group can utilise an online auction in order to sell assets as there is an audit trail to ensure best sale price is achieved.

7. INCOME AND BANKING

7.1 Income

The Chief Financial Officer (or deputy) is responsible for:

- Designing maintain and ensure compliance with systems for the proper recording, invoicing, collection and coding of all monies due or owed to the Group to enable the maximisation of its income
- Prompt banking for all monies received
- Ensure detailed procedures notes are kept on all income processes

7.2 Fees and charges

The Chief Financial Officer shall:

- Regularly review and approve any fees or charges set, other than those determined by the DfE or by statutory regulation.
- Take independent professional advice on matters of valuation as necessary

7.3 Appointment of Bankers

The Governing Body is responsible for the appointment of the Group's bankers on the recommendation of the Finance and Resources Committee.

The Principal & CEO or Chief Financial Officer (or their nominated representative) shall approve all arrangements for leasing of college assets by other parties, including property and equipment leases, property rentals and tenancy agreements. The Facilities Directors shall advise on these arrangements.

All employees shall inform the Chief Financial Officer promptly of money due to the Group arising from transactions which they initiate, or deal with, including all contracts, leases, tenancy agreements, private patient undertakings and other transactions

7.4 Bank Accounts - General information regarding college Bank Accounts

Procedure:

- The Group's bankers are Lloyds Bank. Investments maybe made with other banks and investment cash management companies in accordance with the Operating Cash Management Policy.
- Any changes to the Group's bankers would have to be in line with college regulations.
- All bank instruments have to be signed in accordance with the Bank Mandate in operation at that time.

7.5 Bank Accounts – Mandates

Information regarding Bank Mandates for Group's Bank Accounts

Procedure

- All bank mandates have to be agreed and authorised by two of the following: Chief Financial Officer (or deputy), Principal & CEO and / or the Finance Manager and then reviewed by the Audit committee.
- Each bank mandate should require at least 2 authorised signatories for every payment, no matter what value.

7.6 Bank Reconciliation

Reconciliation between the Groups Bank Accounts and Cash Ledger will be undertaken at regular intervals via the following procedure:

Procedure:

- Bank accounts must be reconciled to the cash ledger via the Open Accounts Bank Reconciliation module at the end of every calendar month or, additionally, at any other time, as directed by the Chief Financial Officer (or deputy).
- The bank reconciliations are completed by the Accounts Payable team and reviewed by the Finance Manager and authorised by the Group Financial Controller.
- The bank reconciliations are kept electronically by the Finance department.

7.7 Bank Accounts Operation Receipts

Treatment of Groups income receipts

Procedure:

Payment of Invoices

- Credit Control receives payment with remittance advice.
- An income Cash book Journal is prepared, using the remittance advice as the prime document.

Till Receipts

- The cashier processes all cash, cheques and card receipts.
- All documentation is attached to the Z reading (Till listing) and passed to Credit Control for further processing.
- The takings in the till are agreed with the Z reading and then passed to Credit Control for paying in.

Paying In and Posting

- Paying in slips are prepared and agreed with the daily banking forms. The payments are collected and paid in by a cash transit security company.
- All documentation is cross referenced with the paying in slip number and then posted to the General Ledger.

Bank payments

Payments are processed either by BACS payment Runs, manual BACS, Faster payments, CHAPS payments or by GPC Credit cards.

BACS, Faster Payments and Chaps:

- Guidance notes on how to prepare & process BACS payments are available within the Finance One Drive.
- All payments require 2 authorisers to approve and submit a payment online.
- Group payment runs take place every two weeks and a payment run calendar is communicated to key staff.
- Manual payments outside of the allocated payment run days will only be processed if approved by the Finance Manager or Group Financial Controller

7.8 Cash Handling

7.8.1 Treatment of cash and Charities

Procedure:

Cash Payments – Emergency purposes only

- If in the event of a system failure with the MKC online shop, all student payments must be dealt with directly by the Student Finance team or the Corporate Finance Team only. No other staff member is permitted to handle cash unless approved by the Finance Manager.
- All Students to be directed to Student Finance desk to make payment for Trips, uniform, Equipment, bus tickets and course fees.
- All payments are processed through the college till while the student is present and a receipt provided as proof of purchase.

Charity Collections

- Charity collections must be stored within the Student Finance safe when not being used and signed out each day by a member of staff.
- All cash must be held in a lockable cash tin and secure at all times.
- All charity collections must be paid into the College via the Student Finance till and the Finance Manager will make payment to the charity online.
- Charity Collections must for an approved registered charity only, please contact the Finance Manager with any queries.

- The Finance department will provide a presentation cheque for a Marketing photo with the students and charity.

7.9 Treasury Management

The Governing Body is responsible for approving long and short-term treasury management policies (setting out the strategy and policies for cash management, long term investments and borrowings).

It also has a responsibility to ensure implementation, monitoring and review of such policies. All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Principal & CEO and Chief Finance Officer and an appropriate reporting system set up. All borrowing shall be undertaken in the name of the institution and shall conform to any relevant funding council requirements including the restriction in place as a result of the ONS review and reclassification.

The Governing Body is responsible for the appointment of the institution's bankers.

7.10 Debt Management

The Group must ensure that all income due is collected promptly, efficiently, and in full.

All staff involved in raising charges, issuing invoices, or contacting debtors must follow this regulation and the detailed operational procedures issued by the Finance Department.

Debtors must be treated fairly, consistently, and transparently, in accordance with relevant legislation and the Group's Equality, Diversity and Inclusion commitments.

7.11 Student Debts

Students with outstanding debts may have restrictions placed on their accounts, including:

- Withholding certificates, transcripts, or references
- Restriction from re-enrolment
- Suspension of non-essential services

Any action must comply with awarding-body rules, DfE guidelines, consumer law, and the College's Student policies.

Students experiencing financial hardship should be referred to Student Support for assessment and guidance.

7.12 External Debt Collection and Legal Action

Where internal recovery efforts are unsuccessful, debts may be passed to an external debt collection agency or legal advisers, subject to CFO approval.

Costs associated with recovery may be charged to the debtor where permissible.

Legal action will only be taken where it is cost-effective and in the Group's best interests.

8. OTHER INCOME GENERATING ACTIVITY

This sets out the Groups governing all income-generating activities outside core DfE funded education provision.

These activities include, but are not limited to:

- Commercial training and consultancy
- Room, facility and equipment hire
- Theatre hire
- Performing Arts rooms
- Catering and retail income
- Hair and Beauty income
- Sponsorship and partnership income
- Income from externally funded projects
- Apprenticeship income not covered by core funding
- Sale of goods or services
- Lettings and commercial events

All such activities must align with the College's charitable objects, represent value for money, and comply with relevant legislation, including VAT, Corporation Tax, funding rules and procurement regulations.

Approval and Governance

All new income-generating activities must be approved in advance by the appropriate Budget Holder and the CFO (or delegated authority) to ensure financial viability and compliance.

Activities that represent significant financial, legal, or reputational risk must be reviewed by the Senior Leadership Team (SLT) and, where required, approved by the Corporation.

Activities must not conflict with the College's charitable purpose or expose the College to undue commercial risk.

8.1 Financial Assessment and Pricing

A full costing and pricing assessment must be completed before an activity is undertaken, including:

- Direct and indirect costs
- Staff time
- Use of facilities and equipment
- Overheads and support costs
- Tax and VAT implications
- Security & Cleaning

- Required profit margins.

Prices must be set to ensure that activities are at least cost-neutral and normally generate a surplus that supports the College's core educational mission.

Budget Holders must consult the Finance Team on pricing models, VAT treatment, and profitability.

8.2 Contracts and Agreements

All income-generating activities involving external organisations or individuals must be supported by a written agreement, contract or service specification.

All contracts must be reviewed and approved in line with the College's delegation and procurement procedures.

No activity may commence until the agreement is fully executed, with financial arrangements clearly defined.

8.3 Invoicing and Income Collection

Income must be invoiced promptly and accurately through the College's financial system.

Budget Holders are responsible for ensuring that:

- All income due is invoiced
- Charges are supported by approved price lists or contractual terms
- Required documentation is supplied to the Finance Team
- Key College departments are involved in the process to ensure completeness

The Group's credit control procedures apply to all commercial income. Budget Holders must support the Finance Team in resolving disputes and recovering outstanding debts.

8.4 VAT and Taxation Compliance

All income-generating activities must be assessed for VAT liability, Corporation Tax exposure and other relevant taxation rules.

Budget Holders must consult the Finance Team prior to confirming prices or contractual terms where tax status is uncertain.

Activities giving rise to taxable trading may require routing through a College subsidiary; the CFO will determine this requirement. See section 13 for more information.

8.5 Use of College Facilities and Resources

College facilities, equipment and staff time used for income-generating activities must be costed appropriately and reflected in pricing.

Activities must not adversely impact core teaching and learning or statutory responsibilities.

Any external use of facilities must comply with the College's Lettings and Health & Safety policies.

9. GRANTS AND CONTRACTS

9.1 External Funding Bids and Grant Applications

This section outlines the required processes for developing, reviewing, and approving all external funding bids, grant applications, and tenders submitted on behalf of the College. It applies to all staff involved in identifying, preparing, or submitting funding proposals to government bodies, agencies, local authorities, charitable foundations, private organisations, or other external partners.

9.2 EU Grant Funding

EU grant funding requires controls, responsibilities, and regulatory requirements governing the administration of EU-funded projects and grants received by the Group. These regulations apply to all departments involved in planning, delivering, monitoring, or financially administering activity supported by EU funding streams, including but not limited to:

- European Social Fund (ESF) legacy programmes
- Erasmus+ or successor mobility schemes (where applicable)
- Horizon Europe participation (where eligible)
- Interreg, structural programmes, or other EU cooperation funds
- Any other EU or EU-derived funding awarded directly or through UK intermediary bodies

The Group must ensure full compliance with EU grant conditions, UK Government requirements, audit standards, and contractual obligations attached to each funding stream.

All EU-funded activity must be transparent, auditable, and compliant with procurement, financial controls, and record-keeping requirements.

Departments must not commit to activity that is ineligible, inadequately funded, or unapproved.

9.3 EU Regulations

The Chief Financial Officer (or deputy) is responsible for ensuring that the Group complies with the legal obligations, which are in place at the time, on all procurement matters which are subject to EU regulations including any corresponding grants.

9.4 Responsibility for Bid Development

Budget Holders, Curriculum Managers, and Project Leads may identify potential external funding opportunities.

All proposed bids must be discussed at the earliest opportunity with their Executive Director and Finance Department to assess financial viability, match funding requirements, capacity implications, and compliance with College priorities.

Finance must be provided with all relevant bid documentation, guidance notes, financial templates, and deadlines to enable a timely and accurate review.

9.5 Financial Assessment Requirements

Before any bid is submitted, the Finance Department must complete a full financial evaluation, including but not limited to:

- Detailed costings and income projections
- Match funding requirements
- Cashflow implications
- VAT treatment
- Assessment of ongoing revenue commitments
- Risks and sustainability considerations

Finance will also advise on appropriate overhead recovery, pricing models, and contribution requirements in line with College policy.

9.6 Internal Approval and Sign-Off

No external bid may be submitted without appropriate approval in accordance with the College's Scheme of Delegation.

The Chief Financial Officer is responsible for the final sign-off of all external funding bids prior to submission.

CFO approval confirms that:

- The financial model is robust and aligned to College regulations
- The bid does not expose the College to unauthorised financial, legal, or operational risk
- All match funding and resource implications are understood and can be supported
- The proposal aligns with College strategy and financial sustainability objectives

The Chief Finance Officer's approval must be evidenced in writing, which may include signed bid approval forms, email confirmation, or electronic workflow sign-off.

9.7 Submission of Bids

Once the Chief Finance Officer approval has been granted, the designated Project Lead or relevant member of staff may proceed to submit the bid on behalf of the College. A copy of the final submitted version, along with the Chief Finance Officer's approval record, must be provided to Finance for audit and compliance purposes.

9.8 Post-Submission and Award Management

Finance must be notified immediately of bid outcomes.

Where a bid is successful, Finance will work with the Project Lead to establish a project code, budget profile, reporting schedules, and financial controls in line with College policies and the requirements of the funding body.

10. PAY EXPENDITURE

10.1 Personnel and Payroll

10.1.1 Appointment of Staff

The Principal & CEO is responsible for all appointments to the College on the advice of the Group Director of People. However, Senior Post holders are subject to appointment by the Governing Body.

10.1.2 Salary Payments

Salary rates and non-pay benefits for Senior Post holders will be determined by the Remuneration Committee, whose recommendations must be approved by the Governing Body.

Salary rates and non-pay benefits for other staff will be recommended by the Principal & CEO and approved by the Governing Body.

10.1.3 Superannuation schemes

The Group is responsible for undertaking the role of employer in relation to appropriate pension arrangements for employees. The Chief Financial Officer will report on contributions made to the schemes via the year end accounts

The Chief Finance Officer is responsible for day-to-day superannuation matters, including:

- paying contributions to various authorised superannuation schemes
- preparing any required annual return to various superannuation schemes

11. TRAVEL, SUBSISTENCE AND OTHER ALLOWANCES

This section sets out the College's rules governing the reimbursement of travel, subsistence and other related expenses incurred by employees, governors, contractors, and authorised volunteers when undertaking approved College business.

These regulations ensure compliance with HMRC requirements, promote value for money, and prevent misuse of public funds.

All travel and subsistence expenditure must:

- Represent the most economical, efficient, and practical option.
- Be pre-approved by the relevant Budget Holder or line manager.
- Be supported by itemised receipts and submitted via the Group's approved expenses process and form.
- Comply with current HMRC rules for tax-free expense reimbursement.
- Be claimed promptly, normally within one month of expenditure.

Please refer to the Group Mileage and Subsistence Allowance Policy for further information.

Expenses Claim Form and Procedure:

- Expenses claims will only be reimbursed in respect of legitimate and authorised travel and expenditure for and on behalf of official group business. Please refer to the latest 'Mileage and Subsistence Allowances' policy
- All claims must be made on the Expenses Claim Form. The latest form can be found on SharePoint.
- All Expenses Claim Forms must be completed by the claimant and authorised by the claimant's manager before submission for payment.
- Claims MUST be supported by receipts, or the claim will be rejected.
- When completed and authorised for payment by the appropriate manager, all Expenses Claim Forms must be sent to Finance at the Medway Campus for processing by the 5th working day of the month.
- No claims older than 3 months or the claim will be rejected
- All queries should be directed to the Finance team.

Travel Subsistence Allowance Form and Procedure

- Travel Subsistence claims will only be paid in respect of legitimate and authorised official group business. Please refer to the latest 'Mileage and Subsistence Allowances' policy for the individual meal allowances.
- All claims must be made on the Travel Subsistence Allowance Form. The latest form can be found on SharePoint.

- All Travel Subsistence Allowance Forms must be completed by the claimant and authorised by the claimant's manager before submission for payment.
- Claims MUST not be made when a business hotel booking has been made with a meal package included.
- When completed and authorised for payment by the appropriate manager, all Travel Subsistence Claims Forms must be sent to Corporate Finance at the Medway Campus.
- The Finance Manager must approve all Travel Subsistence Claims before the cash payment can be made.
- On receipt of the cash payment the claimant must sign and date to confirm receipt of these funds.
- All queries should be directed to the Finance team.

12. RISK MANAGEMENT AND INSURANCE

The Chief Financial Officer (or deputy) is responsible for the development and maintenance of a risk management strategy, in order to identify the risks facing the Group and the levels of protection required both to cover and minimise those risks. The strategy should meet all and any potential risks to Group assets.

The Chief Financial Officer (or deputy) is responsible for effecting sufficient insurance cover of Group's assets as determined by the Governing Body. (or deputy) is also responsible for obtaining quotes for premiums, negotiating claims and maintaining the necessary records. From time to time, it may be necessary for the Chief Financial Officer (or deputy) to seek advice from the Group's insurers, or others, on specific insurance matters.

It is the duty of all managers to give prompt notification to the Chief Financial Officer (or deputy) of any potential new risks.

It is the duty of all managers to immediately notify the Chief Financial Officer (or deputy) of any event which may give rise to a claim against the Group. The Chief Financial Officer (or deputy) will notify the Group's insurers, and legal advisers if appropriate, and supply them with any necessary information. If required, members of staff are required to provide assistance promptly in order to respond to claimants within the time limits set out under the pre-action protocol.

The Chief Financial Officer (or deputy) is responsible for maintaining a register of all insurances effected by the Group and property and risks covered thereby.

The Facilities Managers are responsible for maintaining suitable records of assets which are subject to inspection and/ or certification by or on behalf of the insurers. Such inspections and/or certifications must be carried out within the prescribed times.

12.1 General Insurance

The general principles and policy regarding college insurance matters are that the college has a duty to adequately insure its staff, students, property and the public whilst attending its properties or on official Group business. Group motor vehicles are to be covered for all risks at any time. The Group insurance covers:

- Combined Insurance – Buildings, Contents, Money, Contract Works and Business Interruption
- Public Liability
- Employers Liability
- Professional Liability Insurance
- Cyber
- Drones
- Engineering
- Motor Fleet and Trade
- Travel

Procedure:

- On behalf of the Group, each year the Chief Financial Officer (or deputy) & Finance Manager undertakes a review of the college's portfolio with underwriters.
- All insurance certificates are available on SharePoint and the Public Liability insurance certificate must be displayed in the main public areas of all sites.
- All queries relating to the Group insurance cover, contact the Finance Manager.

12.2 Insurance – Claims

The following process is to be followed when making insurance claims on the Group Insurance policy.

Procedure:

- All potential claims must be alerted to the Insurers. This is irrespective of there being any subsequent claim.
- The Finance Manager is responsible for dealing with claims; however, some sensitive matters are dealt with at director level.
- All queries relating to the Group insurance cover, contact the Finance Manager.

12.3 Insurance – Students off-site

The Group has a duty of care towards its student cohort and as such, it insures them on the Group travel policy for any occasion that students are on official Group business.

Procedure:

- Before any student goes off site on official College business, an off-site proposal form must be completed on the Visit Approval System (VAS).
- Depending on the nature of the trip (or work placement) full details must be declared on the VAS before the trip goes ahead. The number of student days off site is declared annually to the insurers, whose Travel Policy premium is adjusted accordingly.
- Please see the Health & Safety Policy for further details which can be located on the Health & Safety SharePoint page.
- All queries relating to the Group insurance cover, contact the Finance Manager.

12.4 Security

Managers are responsible for maintaining proper security at all times for all buildings, stock, stores, furniture and cash, etc. under their control. They will consult the Chief Financial Officer (or deputy) in any case where security is thought to be defective or where it is considered that special measures may be needed.

Keys for safes or other similar security containers are to be carried with the person responsible at all times. The loss of such keys must be reported to the Chief Financial Officer (or deputy) immediately.

The Chief Financial Officer (or deputy) is responsible for maintaining computer-held information in a secure and private manner. This must comply with the provisions of the Data Protection Act.

12.5 Trust Funds

The Chief Financial Officer (or deputy) is responsible for maintaining a record of the requirements for each and every trust fund and for advising the Finance and Resources Committee on the control and investment of fund balances.

12.6 Code of Conduct

Members of the Governing Body and staff with significant financial responsibilities are required to disclose interests in the Group's register of interests.

13. TAXATION

This section sets out the College's responsibilities and procedures in relation to taxation, including VAT, Corporation Tax, Construction Industry Scheme (CIS), PAYE/NIC, and other statutory tax obligations.

The College must comply at all times with HMRC legislation, DfE funding rules, and relevant accounting standards.

The Chief Finance Officer is responsible for ensuring that all tax matters are correctly administered, reported, and monitored.

13.1 Value Added Tax (VAT)

13.1.1 VAT Registration and Compliance

The College and Subsidiary are both registered for VAT and must comply with all statutory requirements, including correct treatment of input and output tax.

VAT must be correctly applied to all supplies, purchases, income streams, and financial transactions in accordance with current HMRC guidance.

13.1.2 VAT on Income

The VAT liability of income must be assessed before pricing or invoicing.

Exemptions (e.g., education, some welfare services) or zero-rating (e.g., certain building works) must only be applied where legally permitted.

13.1.3 VAT on Expenditure

College - VAT is payable where supported by a valid VAT invoice in the College's name but the College is 100% non-recoverable VAT this cannot be claimed back from HMRC

Subsidiary – VAT is payable where supported by a valid VAT invoice in the Subs name and this can be claimed back from HMRC.

Staff must ensure correct VAT coding when submitting purchase orders or expense claims.

13.1.4 Partial Exemption

The College may be subject to partial exemption rules due to its mix of VAT-exempt education and taxable income.

The Finance Team must monitor partial exemption percentages and complete the annual calculation.

13.1.5 VAT Returns

VAT returns must be prepared and submitted in accordance with HMRC deadlines.

The Finance Manager and Group Financial Controller must approve the return prior to submission.

13.2 Corporation Tax

As an FE Corporation, the College is generally exempt from Corporation Tax on its primary educational activities, while the subsidiary is required to pay Corporation Tax. Tax may be chargeable on trading activities that fall outside the College's charitable purpose.

The Chief Finance Officer must:

- Assess whether income streams fall within taxable trading
- Ensure appropriate reporting to HMRC where required
- Determine whether activities should be conducted through a trading subsidiary.

13.3 Payroll Taxes (PAYE, National Insurance, Pensions)

The Group must operate PAYE and NIC deductions in line with HMRC requirements.

The Payroll Team must ensure:

- Correct application of tax codes
- Timely submission of Real Time Information (RTI)
- Correct handling of benefits in kind (P11D)
- Accurate calculation and payment of employer contributions.

Only authorised payroll staff may process adjustments affecting PAYE/NIC.

14. ACCOUNTING PRACTICES AND ARRANGEMENTS

14.1 Applicable Standards

The College's financial statements must be prepared in accordance with:

- UK Generally Accepted Accounting Practice (UK GAAP)
- FRS 102 – The Financial Reporting Standard applicable in the UK and Republic of Ireland
- The Post-16 Audit Code of Practice
- Any additional guidance issued by funding bodies (e.g., DfE, OfS where applicable)

Financial reporting must meet the requirements of the Charities SORP where applicable to further education corporations.

14.2 Accounting Basis

The College uses the accruals basis of accounting, recognising income and expenditure in the period they relate to, not merely when cash is received or paid.

Assets and liabilities must be recognised in accordance with relevant accounting standards and the College's internal accounting policies manual.

14.3 Financial Year and Reporting Timetable

The College's financial year runs from 1 August to 31 July.

Draft annual financial statements must be prepared in time for review by the Audit and Finance Committees, followed by Corporation approval.

The Finance Department must ensure all year-end adjustments, reconciliations, and valuations are completed within required statutory and audit deadlines.

14.4 Accounting Policies

Any change of accounting policies must be approved by the Governing Body on the advice of the Group Risk and Audit Committee.

The Chief Financial Officer (or deputy) is responsible for preparing and consolidating financial returns and other periodic financial reports to the DFE and other agencies, as required. The Chief Financial Officer (or deputy) is also responsible for ensuring that all grants notified by the DFE and other bodies are received.

All such returns and reports must be signed by the Principal & CEO or The Chief Financial Officer (or deputy).

14.5 Accounting Records

The Chief Financial Officer (or deputy) is responsible for the retention of financial documents. These must be kept in a form acceptable to the relevant authorities.

15. AUDIT

External auditors and internal auditors have authority to:

- Access College premises at reasonable times.
- Access all assets, records, documents and correspondence relating to any financial and other transactions of the Group.
- Require and receive such explanations as are necessary to concerning any matters under examination.
- Require any employee of the Group to account for cash, stores or any other Group property under their control.
- Access records belonging to third parties, such as contractors, when necessary.

The Chief Financial Officer (or deputy) is responsible for drawing up a timetable for final accounts and will advise staff and external auditors accordingly.

15.1 External Audit

The appointment of external auditors will take place annually and is the responsibility of the Governing Body, who will be advised by the Group Risk and Audit Committee.

15.2 Internal Audit

The internal auditors are appointed for a period of three years plus additional tender terms, and the appointment is the responsibility of the Governing Body, who will be advised by the Group Risk and Audit Committee.

15.3 Other Audits

From time to time the Group may be subject to audit or investigation by external bodies such as the DFE, National Audit Office, HM Revenue and Customs, etc. They have the same rights of access as external and internal auditors.

15.4 New Legislation and Regulations

All College Budget Holders are responsible for informing the CFO of any legislation, notification, consent, approval, circular or letter received from a Government Department or other official source in relation to their activities that may affect the financial affairs of the College.

15.5 Waiver of Financial Regulations

The Principal & CEO shall have delegated powers to waive Financial Regulations where necessary to ensure sound financial control and the effective running of the financial affairs of the College, subject to any powers reserved to the Group itself. All requests for financial waivers must be on the necessary form (Waiver of Financial Regulations Form) and be accompanied with confirmation from the Group Finance Manager that the financial implications for the College have been taken into account and such waivers shall be reported to the Principal & CEO. The Group Finance Manager shall maintain a record of all waivers for inspection at Corporation meetings and by Internal and External Audit as part of the annual report.

15.6 Security of Documents

The Chief Financial Officer (or deputy) is responsible for the safekeeping of official and legal documents relating to the Group. Signed copies of deeds, leases, agreements and contracts must be sent to the Chief Financial Officer (or deputy). All such documents must be held in an appropriately secure, fireproof location.

15.7 Private Consultancies and Other Paid Work

Unless otherwise stated in a contract of employment:

Outside consultancies or other paid work may not be allowed without the prior consent of the Chief Financial Officer or, in the case of management, the Principal & CEO.

15.8 College Companies

The Governing Body is responsible for the approving the establishment of college companies.

16. ETHICAL STANDARDS

All staff must demonstrate:

- **Integrity** – acting honestly, avoiding deception, and ensuring financial information is accurate and not misleading.
- **Objectivity** – making decisions free from bias, undue influence, or personal interest.
- **Accountability** – taking responsibility for actions and complying with all policies, procedures, and statutory requirements.
- **Openness and Transparency** – ensuring financial decisions and processes are clear, justifiable, and documented.

16.1 Conflicts of Interest

Staff must declare any actual, potential, or perceived conflicts of interest that may influence financial decisions.

Individuals with a conflict must withdraw from related decision-making.

Registers of interests must be maintained and updated annually.

16.2 Gifts and Hospitality

Gifts or hospitality offered by suppliers, partners, or stakeholders must not be accepted if they could influence, or appear to influence, a financial decision.

Any gifts or hospitality above the College's disclosure threshold must be reported and recorded in the Gifts and Hospitality Register.

16.3 Confidentiality and Data Protection

Financial information must be handled confidentially and in compliance with UK GDPR and the College's data protection policies.

Staff must ensure sensitive financial data is shared only with authorised individuals.

16.4 Professional Behaviour

Staff must maintain high professional standards when managing College resources.

Financial decisions must be aligned with the College's mission, public-sector values, and regulatory obligations.

Staff should seek advice from the Finance Department when uncertain about ethical or procedural requirements.

16.5 Reporting Concerns

Staff must report unethical behaviour, financial irregularities, or breaches of these standards immediately.

Concerns may be raised confidentially through the Whistleblowing Policy without fear of reprisal.

16.7 Anti-Fraud, Bribery, and Corruption

16.7.1 Fraud

The Governing Body is absolutely committed to maintaining an honest, open and well-intentioned atmosphere within the Group. It is therefore equally committed to the elimination of any fraud within, or attempted against, the Group and to rigorously investigate any such cases.

Any member of staff who has reasonably held suspicions of fraud has a responsibility for reporting them to the Chief Financial Officer (or deputy). It is Groups policy, rigorously enforced, that no employee will suffer in any way as a result of reporting (or whistle blowing) such suspicions. This is in accordance with the College Public Interest and Disclosure Procedure.

The Chief Financial Officer (or deputy) is responsible for the implementation of policies to eliminate fraud and to instigate investigations of any allegations which may arise. The Anti-Fraud Policy is detailed in this document and is published on SharePoint and should be followed where a suspicion of fraud is raised. To this end, the internal audit service or others may be called upon to carry out the investigations.

The Group Risk and Audit Committee is responsible for investigating any allegation of fraud against the Principal & CEO or Chief Financial Officer (or deputy) and for commissioning any special investigation by the internal audit service or others. In the event of the Group Risk and Audit Committee being unable to meet, the Chairman has the authority to implement any such action.

The Chief Financial Officer (or deputy) will inform the Group Risk and Audit Committee and the internal audit service of any alleged fraud at the earliest opportunity.

If requested, the Group Director of People will advise those involved in any investigations in matters of employment law and in other related procedural matters such as the disciplinary and complaints procedures.

The College operates zero tolerance towards fraud, bribery, corruption, and financial misconduct.

Staff must comply with the College's Anti-Fraud Policy and Response Plan and report any suspicions immediately to the CFO or designated senior officer.

No financial advantage may be offered, given, or accepted that breaches legal or ethical obligations.

Please refer to the Group Anti-Fraud Policy and Response Plan.

16.7.2 Receiving Gifts or Hospitality

It is an offence under the Bribery Act 2010 for members of staff to accept corruptly any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:

- the conduct of individuals must not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity must not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation. Thus, members of staff must not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted must not be significantly greater than the Group would be likely to provide in return.

When it is not easy to decide between what is and what is not acceptable in terms of gifts or hospitality, the offer must be declined or advice sought from the Chief Financial Officer (or deputy). For the protection of those involved, the Clerk to the Governing Body will maintain a register of gifts and hospitality received where the value is in excess of £50. Members of staff in receipt of such gifts or hospitality must notify the Clerk to the Governing Body promptly.

The College Clerk shall maintain a register of sponsorship received by the Trust (gifts and hospitality register) and present this to the Governing Body on at least an annual basis.