

Draft Finance Policy Handbook

Shetland UHI Finance Policy Handbook

Approval and Review of Policies

Financial good practice

Financial Regulations

Fraud Policy

Anti-Bribery

Treasury Management

Debt management

Financial procedures

Delegated authority

Procurement and purchasing

Procurement

Value for money

Student finance

Tuition fees

Fee Instalment Policy

UHI FE fee waiver

UHI Student Support Funds Policy

Student Debt Management

Staff finance

Staff and Student Travel and Expenses Claims [Expenses claims NAFC Business Travel Policy NAFC](#)

[Salary payments NAFC](#)

[Seagoing Allowance NAFC](#)

[Professional membership fees and subscriptions NAFC](#)

Shetland UHI Finance Policy Handbook

Review Schedule and Log

Responsible Officer	
Date first approved BoM	
Review schedule	5 years
Equality impact assessment	Record no:
Sustainability impact assessment	Record no:

Reviewer	Date	Review action / impact	Board approval date

Shetland UHI Finance Policy Handbook

Approval and review of policies

Policy Summary

- All policies must include the following headings, as a minimum:
Purpose | Scope | Policy | Responsibilities | Review
- All policies must follow the policy template and use the cover template as their first page.
- Equality Impact Assessment records must be completed prior to the approval of policies.

Relevant to

All policies

Links to

All policies

1. Purpose

1.1 This policy sets out the framework for the approval and review of Shetland UHI policies.

2. Scope

2.1 This policy applies to all policies developed and reviewed at Shetland UHI.

2.2 This policy must be read in conjunction with Shetland UHI's Equality and Diversity Policy.

3. Policy

3.1 All policies must be approved by the Board of Management in accordance with this Policy.

3.2 All policies must be developed and reviewed in accordance with this Policy and accompanying procedures.

3.3 All policies will be assigned a review date which will not normally exceed more than five years from approval. All policies will be reviewed sooner if required to ensure compliance with relevant legislation, to reflect best practice and to promote equality, diversity and inclusion. When a review results in substantial changes, a copy of the original policy will be retained. This will allow Shetland UHI to demonstrate policy development over time.

4. Responsibilities

Board of Management	Responsible for the approval of all Policies
Executive Leadership Team	Responsible for agreeing the development of any new policies, or any significant review of an existing policy, and assigning a named responsible person for every policy
Responsible Person	Responsible for developing and reviewing the policy and ensuring there are accompanying procedures; - the dissemination and communication of new policies and accompanying procedures; Responsible for ensuring that new and revised policies within their area of responsibility undergo an Equalities Impact Assessment prior to implementation.
Senior Staff	Responsible for ensuring that all appropriate documentation which relates to their areas of responsibility is updated to reflect new and revised policies
Staff	Shetland UHI actively encourages all staff to contribute to the College's Strategic Aims through the evaluation and development of its policies;

Shetland UHI Finance Policy Handbook

	All members of staff and students and other parties are responsible for the effective operation and implementation of Policies and Procedures.
--	--

5. Template structure for new and revised policies

5.1 All policies must include the following headings, as a minimum:

Purpose | Scope | Policy | Responsibilities | Review

5.2 All policies must follow the policy template and use the cover template as their first page.

5.3 Equality Impact Assessment records must be completed prior to the approval of policies.

6. Review

6.1 This policy will be reviewed every five years, or sooner if necessary.

Financial Good Practice

Shetland UHI Finance Policy Handbook

Financial Regulations

Policy Summary

Sets out the approach of Shetland UHI to:

- 3.1 Audit – internal and external
- 3.3 Financial Management and control
- 3.4 Projects and business developments
- 3.5 Budget process
- 3.6 Asset Management
- 3.7 Insurances
- 3.8 Pay expenditure
- 3.9 Risk Management
- 3.10 Taxation

Relevant to

- Scheme of delegated authority
- Accounting policies
- Treasury Management
- Fraud
- Anti-Bribery

Links to

- HR – pay and remuneration, appointments and staff records
- Staff-related finance policies
- Student-related finance policies

1. Purpose

1.1 Shetland UHI Financial Regulations provide a framework within which a reliable system of internal financial control may operate. They seek to make certain that the responsibilities of the members of Shetland UHI can be met through the establishment of a system of management control designed to ensure that Shetland UHI conducts its activities in an effective and efficient manner.

1.2 The requirement for these regulations is derived from the Scottish Funding Council (SFC) Memorandum.

2. Scope

These regulations shall apply to Shetland UHI and to any subsidiary companies wholly owned or controlled by Shetland UHI.

3. Policy

3.1 Audit

The appointment of the external auditors is to be approved by Audit Scotland. The appointment of the internal auditors is the responsibility of the Board of Management.

Audit Approach

External [including funding auditors] and internal auditors shall have the authority to:

- access Shetland UHI premises at reasonable times;
- access all assets, records, documents and correspondence relating to any financial and other transactions of Shetland UHI;

Shetland UHI Finance Policy Handbook

- require and receive such explanations as are necessary concerning any matter under examination;
- require any employee of Shetland UHI to account for cash, stores or any other Shetland UHI property under his/her control;
- access records belonging to third parties, such as contractors, when required.

External Audit

The primary role of external audit is to report on Shetland UHI's annual financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds.

Internal Audit

The main responsibility of internal audit is to provide the Board of Management, the Chief Executive and Senior Managers with assurances on the adequacy of the internal control system. The internal audit service remains independent in its planning and operation and has direct access to the Board of Management, Chief Executive and Chair of the Audit Committee.

Other Auditors

The institution may, from time to time, be subject to audit or investigation by external bodies. They have the same rights of access as external and internal auditors.

3.2 Fraud and other irregularities

Shetland UHI policy on fraud and other financial irregularities is set out in The Fraud Policy.

3.3 Financial management and control

Financial objectives

As part of the strategic planning process, the Board of Management will, each year, determine a series of financial objectives for Shetland UHI. These, and other Shetland UHI objectives, will inform the budget setting and financial planning processes.

Budget preparation

The Senior Finance Officer is responsible for preparing, each year, a detailed revenue budget, a 2 year financial plan and a capital plan. The revenue budget and financial plan should be prepared in line with a timescale approved by the Finance & General Purposes Committee. The budget and financial plan are to be approved by the Board of Management, on the recommendation of the Finance and General Purposes Committee and submitted to SFC via the Regional Strategic Body – the University of the Highlands & Islands, prior to the beginning of the year to which the budget relates.

Resource allocation

The Senior Managers will consider the basis on which income and expenditure will be allocated to Shetland UHI centres and cross-college support services. Senior Managers will determine the allocation of resources within their Shetland UHI centre. In doing so, they will give due consideration to Shetland UHI self-assessment, strategic and operational plans and priorities, and Shetland UHI policies and procedures.

Capital programme

The Chief Executive will each year agree the basis for the allocation of the capital funds approved by the Board of Management. The Senior Finance Officer will establish procedures for proposing, considering and approving capital expenditure requests.

Shetland UHI Finance Policy Handbook

Major building projects will require the preparation of a detailed business case and investment appraisal, for consideration by the Finance & General Purposes Committee, and approval by the Board of Management [Appendix 2 refers].

Progress reports on major capital projects shall be submitted to the Finance & General Purposes Committee, at a frequency determined by the Committee.

3.4 Projects and business developments

Any new project or activity which will require an investment in buildings resources or staff time, must be authorised in accordance with the financial limits set out in The Scheme of Delegated Authority.

All major developments should have business plans in format determined by the Board of Management.

Funding agreements, contracts and grants

Shetland UHI 's proposed annual funding agreement with the SFC, via the Regional Strategic Body – the University of the Highlands & Islands, will be determined each year by the Chief Executive. The funding agreement will be consistent with the Shetland UHI 's approved strategic plan and must be signed by the Chief Executive.

Other funding agreements and contracts may be authorised within the conditions specified in the **Fraud Policy**. The terms of such agreements, and fees and prices embodied therein, will be determined by the Board of Management.

Proposals to enter into such agreements should be made in accordance with the Shetland UHI's detailed project management procedures.

Copies of all contracts for income should be logged within the Finance Department.

Trading activities

Prices and terms relating to the goods and services supplied by Shetland UHI in the course of its non-teaching activities, will be determined by the relevant Senior Manager, having regard for guidance issued from time to time by the Senior Finance Officer.

Company and joint ventures

Companies or joint ventures can only be established by Shetland UHI with the prior consent of the Board of Management.

It is the responsibility of the Board of Management to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by Shetland UHI. These and other arrangements will be set out in a memorandum of understanding.

3.5 Budget process

Virements

Budget virements are designed to allow budget managers some freedom in the deployment of resources to respond to unplanned needs or opportunities which arise after the budget has been approved. The general rules are that:

- funds may be vired within non-pay revenue budgets;

Shetland UHI Finance Policy Handbook

- funds may be vired from a non-pay revenue budget to a capital budget, but not vice versa;
- funds may be vired from pay budgets to non-pay budgets but not vice versa.
- all virements must be approved in accordance with the limits set out in the Scheme of Delegated Authority.

The Senior Finance Officer will issue detailed procedures relating to the recording and control of virements.

Budget monitoring and reporting

The Senior Finance Officer will provide reports to monitor income and expenditure against a profiled budget for all budget holders within 21 working days of the closedown of each accounting period. Summary level reports will be produced for the Senior Managers at the same time.

Shetland UHI level management accounts will be produced in a format and to a timescale determined by the Finance & General Purposes Committee, for presentation to the Committee, the Board of Management and the Senior Managers.

Each Senior Manager shall be responsible for ensuring that their area achieves the overall financial targets.

The Senior Finance Officer is responsible for providing monthly cost reports to all budget holders.

Changes to the approved budget

Changes to the approved Shetland UHI budget will be authorised by the Finance & General Purposes Committee, by consideration of the revised forecasts submitted as part of the three monthly management accounts.

Treatment to year end balances

Where a Budget Manager fails to achieve the agreed budget targets, the Chief Executive may require such deficit to be carried forward and set against the budget provision for the following year. The carrying forward of any budget surplus across accounting years will be considered by the Chief Executive during the budget allocation cycle, in the light of the Shetland UHI's overall financial position.

3.6 Asset Management

General

The Board of Management is responsible for safeguarding the assets of Shetland UHI. The purchase, long term lease and disposal of land and buildings can only be undertaken with the authority of the Board of Management and with SFC consent where required.

Capital expenditure

Shetland UHI's definition of Capital Expenditure is contained within Shetland UHI's **accounting procedures**, which govern the capitalisation of all tangible assets including land, buildings and property enhancements and equipment.

Additional authorisation controls apply to the acquisition of capital items with a value greater than £20,000 in order to ensure that:

Shetland UHI Finance Policy Handbook

- the proposal has been considered in any appropriate wider context [e.g. computer equipment proposals within the IT strategy framework];
- the financing of the proposal has been agreed and any related borrowing arrangements are in accordance with Shetland UHI's financial memorandum with the SFC via the Regional Strategic Body – the University of the Highland & Islands.;
- the acquisition is affordable, in the context of Shetland UHI's financial plans;
- the acquisition represents value for money for Shetland UHI.

However, if the funding for the capital purchase is to be drawn from Shetland UHI cash reserves, the delegated authority will be removed if cash reserves have fallen below **£150,000**.

Fixed assets register

The Senior Finance Officer is responsible for maintaining a fixed assets register providing a record of Shetland UHI capital assets for accounting and control purposes. Budget holders will provide the Senior Finance Officer with any information needed to maintain the register.

Capitalised items must be labelled for security, identity and maintenance purposes. The **Facilities Manager** is responsible for ensuring that capitalised computer equipment is properly labelled. Senior Managers have similar responsibilities in respect of capital items under their control.

The Senior Finance Officer is responsible for the provision of regular fixed asset reports to the Senior Managers in order to ensure that fixed asset system records are up-to-date and accurate. Senior Managers are required to ensure such reports are checked and returned within a timescale determined by the Senior Finance Officer.

Depreciation rates applicable to Shetland UHI assets will be determined by the Finance & General Purposes Committee on the recommendation of the Senior Finance Officer.

Inventories

Senior Managers are responsible for maintaining inventories of all portable plant and equipment that does not meet the criteria of capital expenditure. The **Facilities Manager** is solely responsible for maintaining an inventory of all ICT equipment within Shetland UHI. All items recorded on the inventory must be labelled for security and identity purposes.

Senior Managers shall ensure that inventories in their area are checked at least annually.

Asset disposals

All sales of land and buildings must be approved by the Board of Management with the consent of the SFC.

All other asset disposals must be authorised by the relevant budget holder and if necessary within the conditions specified in Appendix 2.

The Senior Finance Officer is responsible for arranging disposal, in accordance with Shetland UHI procedures.

Shetland UHI Finance Policy Handbook

Shetland UHI properties

The Shetland UHI **Facilities Manager** is responsible for maintaining a comprehensive database of properties used by Shetland UHI within which details of freehold and leasehold properties including leasing terms will be recorded. Details of the terms upon which the Shetland UHI is permitted use of other premises that it does not own must also be recorded within the system. The information held will be sufficiently detailed to allow the verification [and authorisation] of rates payments, utility charges and miscellaneous charges for use.

Assets held under leasing agreements

The Senior Finance Officer is responsible for ensuring that changes to details of equipment leased by Shetland UHI are forwarded promptly to lessors in order that leasing and payment schedules may be amended accordingly.

Stocks and stores

Senior Managers are responsible for establishing arrangements for the custody and control of stocks and stores within their areas of responsibility. Senior Managers must ensure that regular inspections and stock checks are carried out, and that stock is valued in accordance with guidelines issued by the Senior Finance Officer.

3.7 Insurances

Insurance cover

The Senior Finance Officer is responsible for ensuring that adequate insurance arrangements for the Shetland UHI are in place.

The arrangements will be reported annually to the Finance & General Purposes Committee.

Insurance [and brokerage services, if applicable] will be subject to periodic market testing, including a full tender exercise at least every 5 years.

Senior Managers must give prompt notification, to the Senior Finance Officer, of any potential new risks, activities, property, equipment or contracts that may affect the insurance arrangements and cover.

The Facilities Manager is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspections are carried out in the period prescribed.

All staff using their own vehicles on behalf of the Shetland UHI shall maintain appropriate insurance cover for business use.

Insurance claims

Shetland UHI Finance Policy Handbook

The Senior Finance Officer is responsible for the administration of claims and logging of related details. Details of all incidents, accidents, losses and damage to Shetland UHI property and complaints which may lead to a claim, must be recorded and reported to the Senior Finance Officer.

The settlement of claims may be authorised as specified in the **Scheme of Delegated Authority**.

3.8 Pay expenditure

Remuneration policy

The overall remuneration policy of Shetland UHI is the responsibility of the Board of Management. All staff [with the exception of senior postholders] shall be appointed to a salary which has been deemed appropriate by the Chief Executive and is in line with the Shetland UHI's appropriate pay-scales.

The remuneration and terms and conditions of employment of senior postholders shall be determined by the Board of Management on the advice of the Remuneration Committee.

Appointment of staff without appropriate authority is a disciplinary matter.

Payroll and pensions administration

The Senior Finance Officer is responsible for ensuring that proper arrangements are in place for the timely and accurate payment of all salaries, wages, severance payments, pension enhancements, fees, other emoluments and expenses to Shetland UHI employees and external lecturers.

The Senior Finance Officer is also responsible for the timely disbursement of statutory and voluntary deductions from pay, together with employer national insurance and pension contributions, to appropriate third parties, and for maintaining appropriate records.

The **Senior Manager of HR** will be responsible for keeping the Senior Finance Officer informed of all personnel matters that impact upon payroll, including details of:

- appointments, resignations, dismissals, secondments and transfers;
- absence from work for sickness and other reasons, apart from approved paid leave;
- changes in remuneration, other than normal increments and pay awards; and
- information necessary to maintain records of service for superannuation, income tax and national insurance.

Such information shall be processed by the Senior Finance Officer only if recorded on the relevant Shetland UHI documentation and if correctly authorised by a member of the HR function.

3.9 Risk Management

The Board of Management acknowledges the risks inherent in Shetland UHI's activities and is committed to managing those risks that pose a significant threat to the achievement of its business objectives and financial health.

Shetland UHI Finance Policy Handbook

The Board of Management has overall responsibility for ensuring there is a common approach to the management of those risks which pose a significant threat to the achievement of its business objectives and financial health. This will be achieved through the development and implementation of a structured risk management process.

The Finance & General Purposes Committee shall be responsible for the regular review of the adequacy of risk management arrangements.

3.10 Taxation

The Senior Finance Officer is responsible for ensuring that all direct and indirect tax payable by Shetland UHI is properly accounted for and transferred to the appropriate authority by the due date.

4 Responsibilities

Board of Management	Responsible for the approval of all Financial Regulations on recommendation from the Finance & General Purposes Committee; Responsible for: <ul style="list-style-type: none"> • the effective and efficient use of resources; • the solvency of Shetland UHI; • safeguarding the Shetland UHI assets; • approving annual estimates of income and expenditure and to approve the annual financial statements; • ensuring that the funds provided by the Scottish Funding Council are used in accordance with the terms and conditions of the Financial Memorandum agreed between the Regional Strategic Body – The University of the Highland & Islands and Shetland UHI. • Board Members, as individuals, are not permitted, other than items identified in the Scheme of Delegated Authority, to authorise any other expenditure.
Finance & General Purposes Committee	Responsible for maintaining a regular review of the financial regulations and advising the Board of Management of any additions or alterations that are necessary.
Executive Leadership Team	The CEO is responsible for: <ul style="list-style-type: none"> • Preparing annual estimates of income and expenditure; • The management of Shetland UHI within the approved budget. Any breach of the financial regulations will be notified to the Chief Executive and/or the Senior Finance Officer who shall determine what action, if any, is to be taken, and if necessary, inform the Board of Management.
Responsible Person	The Senior Finance Officer is responsible for: <ul style="list-style-type: none"> • Advising the CEO on the financial aspects of Shetland UHI’s policy and on the financial administration of the college; • Ensuring that the Shetland UHI has satisfactory systems of financial control and management; • Preparing annual capital and revenue budgets and financial plans; Preparing Shetland UHI’s annual accounts and financial forecasts for approval by the Board of Management prior to submission to

Shetland UHI Finance Policy Handbook

	<p>the Scottish Funding Council, via the Regional Strategic Body - The University of the Highlands & Islands.</p> <ul style="list-style-type: none"> • Ensuring that the financial forecasts are consistent with Shetland UHI's approved strategic plan; • Monitoring and control of income and expenditure.
Senior Staff	<p>The Senior Managers are responsible to the Chief Executive for:</p> <ul style="list-style-type: none"> • The efficient and effective use of resources at their disposal; • The management of Shetland UHI within the approved budget; • Maintaining clear lines of financial responsibility within Shetland UHI; • Ensuring compliance with the Financial Regulations; <p>It is the responsibility of Senior Managers and Managers to ensure that their staff are made aware of the existence and content of 's financial regulations and that an adequate number of copies are available for reference within their Department/Curriculum area.</p> <p>Budget Managers are responsible for:</p> <ul style="list-style-type: none"> • The control and monitoring of resources within agreed targets; • financial management of their own areas; • Maintaining clear lines of financial responsibility in their own areas; • Day to day operation of financial procedures in their own areas; • Ensuring that the action they take is in accordance with the Financial Regulations; • Reviewing the performance of their department/curriculum area against agreed budgets and targets; • Ensuring any potential conflicts of interest, which may exist in financial relationships with third parties, are disclosed to the Shetland UHI Secretary
Staff	<p>All members of staff employed by Shetland UHI, including staff of employment agencies and secondees are required to comply with the financial regulations.</p> <p>A member of staff who fails to comply with the financial regulations may be subject to disciplinary action.</p>

Shetland UHI Finance Policy Handbook

Fraud Policy

Policy Summary

Sets out the approach of Shetland UHI to:

- Identifying fraud
- Reporting suspected fraud
- Investigating fraud
- Recording action taken in response to concerns
- Change of Supplier Details procedure

Relevant to

- Treasury Management
- Anti-Bribery

Links to

- Risk management
- HR- disciplinary procedures

1. Purpose

The Fraud Policy provides all staff with a guide to identifying and responding to fraud / financial irregularity.

2. Scope

What is a fraud / financial irregularity?

Fraud is a generic term for a number of types of activity that result in the theft or attempted theft of property or money. Fraud involves intentional deceit and is very different to, and does not include, negligence and accidental error.

3. Policy

3.1 Identification of a potential financial irregularity

This Whistle-blowing Procedure is intended to encourage staff to inform management of their genuine and legitimate concerns about serious malpractice, fraud or corruption in order that management can investigate.

Any member of staff identifying a potential financial irregularity should inform a Senior Manager or the Chief Executive. If it is a Senior Manager who is first informed, then he/she should then inform the Chief Executive at the earliest opportunity.

An exception to this rule is where either a Senior Manager or the Chief Executive may potentially be involved. A rule of thumb must be if a Senior Manager or the Chief Executive is potentially implicated notification should be either direct to the Chief Executive or to the Chair of the Audit Committee as appropriate [through the Shetland UHI Board Secretary].

3.2 Decisions relating to required action

Except where the Chief Executive may have a potential involvement, the decision on the preliminary investigation must be taken by the Chief Executive, normally in consultation with the Senior Finance Officer. If the Chief Executive has a potential involvement, the Chair of Board of

Shetland UHI Finance Policy Handbook

the Audit Committee should determine the necessary action, normally in consultation with the Chair of Board of Management or exceptionally, internal audit.

3.3 Potential Actions by the Chief Executive

Upon receiving notification of a potential financial irregularity, there are three potential courses of action:

- No further action: where the Chief Executive considers that there are no grounds for further investigation or action, this course should be substantiated in writing, filed with the Shetland UHI Board Secretary and notified to the member of staff raising the concern.
- Instigate a preliminary investigation: commence an investigation into and, where necessary, explore the concerns raised.
- Contact police, and/or direct invitation to the police to carry out a review – where prima facie fraud or theft has occurred.
- Inform SFC via the Regional Strategic Body – the University of the Highlands & Islands (the **Audit Code of Practice** requires certain frauds to be reported to the SFC).

3.4 Conducting a preliminary investigation

If the Chief Executive considers that a preliminary investigation is necessary she must determine the nature and extent of the investigation and the team required to perform it. The decisions will be determined by the nature of the initial evidence.

3.5 Investigation team

The Investigation Team composition options include:

- Senior Finance Officer and a relevant manager;
- two Senior Managers
- Internal Audit or External Audit.

The choice of team will be dependent on the issue under investigation.

3.5 Components of Investigation

The Chief Executive should agree the terms of reference of the investigation that will include:

- scope of the investigation;
- provisional timescale;
- working arrangement;
- reporting lines and requirements.

3.6 Investigations

Each investigation will be determined by specific requirements but is likely to include:

- reference to Shetland UHI Disciplinary Procedure, where Shetland UHI staff are thought to be involved;
- understanding of the relevant systems;
- collection of all relevant documentary evidence;
- understanding of the requirements of financial regulations and, where appropriate other procedures;

Shetland UHI Finance Policy Handbook

- initial interviews with key staff;
- following the Disciplinary Procedure Guidelines;
- where applicable, initial interviews with those making allegations;
- preparation of a draft report to the Chief Executive incorporating recommendations for action, which may include:
 - no further work required;
 - further work necessary in certain areas;
 - move to investigation under Shetland UHI Disciplinary Procedures;
 - invite police involvement;
 - proposals to improve systems / procedures / security, as appropriate
 - decision by Chief Executive.

3.7 Interviews

The interviews need to be carried out in a formal way following the guidance in the Shetland UHI **Disciplinary Procedure** with the knowledge that, potentially, evidence could later become court evidence or used in a disciplinary investigation.

The following minimum requirements must be followed:

- The employee under investigation must be advised that the investigation is being carried out under the Fraud Policy and potentially may result in a recommendation for disciplinary action under the Shetland UHI Disciplinary Procedure.
- All interviews should be carried out in the presence of two independent people;
- Notes should be taken of each interview, at the time of the interview, and be signed by the interviewer. The interviewee must be invited to sign the notes and if they decline, that refusal should also be recorded;
- Statements may be helpful in certain investigations. Statements should be signed and dated by the individual.

3.8 Reporting

A report should be prepared for the Chief Executive. Again, the exact nature should be determined by the specifics of the situation but the following headings may be appropriate:

- Introduction
- Terms of reference
- Executive summary
- Action recommendations
- Investigation process
- Detailed findings
- Appendices providing evidence, copies of documentation etc.

Reports will be included in a register of fraud incidents. This register will be maintained by the Chief Executive.

3.9 Disciplinary Action and Suspension

If, during or following the preliminary investigation, there are allegations of misconduct concerning an employee, the Disciplinary Procedure will be followed.

If the disciplinary procedures are enacted or if the police are contacted at any time, the Chair of Board of Management and Chair of Audit Committee must be notified.

Shetland UHI Finance Policy Handbook

4. Change of Supplier Details procedure

4.1 To minimise the risk of payments being made to fraudulent accounts, Shetland UHI will follow this procedure:

- Record the request to change supplier details, which should be made by letter or email from the supplier's senior finance officer or Director;
- Contact the supplier separately (finance and administration staff under £10k; Senior Finance Officer over £10k) to confirm the change of details request is correct;
- Confirm the change with the Senior Finance Officer following at least one additional verification process: Companies House check of company directors, if used for verification; copy bank mandate evidence from the supplier; minimal test transaction to the nominated account (£0.01p) and verified by the supplier.
- Record the verification process, before changing the details in the finance system.

5. Responsibilities

Board of Management	Responsible for ensuring that all allegations of fraud are properly investigated and to review the register of fraud incidents on a regular basis. Responsible for ensuring the Chair of the Board is contactable and approachable by staff concerned about irregularities involving the Executive Leadership Team.
Finance & General Purposes Committee	Responsible for assisting the investigation of fraud if necessary.
Executive Leadership Team	The CEO is responsible for: <ul style="list-style-type: none"> • Receiving concerns from staff • Instigating investigations and taking appropriate action • Co-operating with the Police, SFC and/or auditors. • Ensuring appropriate reporting to the Board of Management and the completion of the report for the register of fraud incidents.
Senior Finance Officer	The Senior Finance Officer is responsible for: <ul style="list-style-type: none"> • Reducing the risk of fraud • Notifying the CEO of suspected fraud • Co-operating with investigations of fraud as directed by the CEO • Escalating concerns to the Chair of the Board when necessary • Ensuring anti-fraud procedures (e.g. supplier change of details) is followed
Senior Staff	The Senior Managers are responsible to the Chief Executive for: <ul style="list-style-type: none"> • Reducing the risk of fraud • Notifying the CEO of suspected fraud • Co-operating with investigations of fraud as directed by the CEO • Escalating concerns to the Chair of the Board when necessary
Staff	All members of staff are responsible for reporting suspected fraud to their Senior Manager, the CEO, or the Chair of the Board.

Shetland UHI Finance Policy Handbook

Anti-Bribery and Receipt of Gifts

Policy Summary

Sets out the approach of Shetland UHI to:

- The Bribery Act 2010 and what bribery is
- Receiving gifts and hospitality
- Political and charitable contributions
- Sponsoring
- Raising concerns

Relevant to

- Treasury Management
- Fraud
- Procurement

Links to

- Risk management
- HR- disciplinary procedures
- Public Interest Disclosure Policy

1. Purpose

- 1.1 This document sets out Shetland UHI's policy and advice to employees in dealing with bribery or suspected bribery.
- 1.2 The Bribery Act 2010, which came into force on 1 July 2011, introduced a new, clearer regime for tackling bribery that will apply to all businesses based or operating in the UK. It covers all sorts of bribery, the offering and receiving of a bribe, directly or indirectly, whether or not it involves a public official, in the UK or abroad. There are offences by individuals, and a corporate offence for corporate and partnerships, and penalties for non-compliance are serious.
- 1.3 Bribery is a criminal offence for both individuals and commercial organisations and can be punished with imprisonment of up to 10 years or unlimited fines. Ministry of Justice guidance on Adequate Procedures (S7 Paragraph 35) states that "As regards bodies incorporated, or partnerships formed, in the UK, despite the fact that there are many ways in which a body corporate or a partnership can pursue business objectives, the Government expects that whether such a body or partnership can be said to be carrying on a business will be answered by applying a common sense approach. So long as the organisation in question is incorporated (by whatever means), or a partnership, it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made. If any employee was accused of bribery, Shetland UHI's reputation might be damaged considerably, and subsequent enforcement action would be time-consuming and hinder Shetland UHI from focusing on its core business and service delivery.
- 1.4 It is therefore the policy of Shetland UHI to prohibit any form of bribery or corrupt practices, whether covered directly by The Bribery Act 2010 or not. The policy applies to Shetland UHI, all of its employees and anyone acting for, or on behalf of, Shetland UHI ("associated persons"), including Directos, other volunteers, temporary workers, consultants and contractors, independent of their grade and position, and shall be respected at all times.

Shetland UHI Finance Policy Handbook

2. Definitions

- 2.1 Definitions for bribery and corruption vary, but both are covered within The Bribery Act 2010. Some common definitions are:

Bribery – “Inducement for an action which is illegal, unethical or a breach of Shetland UHI policies. Inducements can take the form of gifts, loans, fees, rewards or other advantages”. Appendix A is a summary of The Bribery Act 2010.

Corruption – This can be broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind which may influence the action of any person. Corruption does not always result in a loss. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.

It is a common law offence of corruption to bribe the holder of a public office and it is similarly an offence for the office holder to accept a bribe.

3. Scope

- 3.1 This policy relates to all forms of bribery and is intended to provide direction and help to employees who may identify, or suspect bribery. The overall aims of the policy are to:

- improve the knowledge and understanding of everyone in Shetland UHI, irrespective of their position, and the risk of bribery within the organisation and its unacceptability
- assist in promoting a climate of openness and a culture and environment where staff feel able to raise concerns sensibly and responsibly
- set out Shetland UHI’s responsibilities in terms of the deterrence, prevention, detection and investigation of bribery and corruption
- ensure the appropriate sanctions are considered following an investigation, which may include any of the following: - criminal prosecution - civil prosecution - internal/external disciplinary action (including professional/regulatory bodies)

- 3.2 This policy applies to all employees of the Shetland UHI regardless of position held, as well as those acting on behalf of Shetland UHI, including Directors, other volunteers, temporary workers, consultants, contractors, and/or any other parties who have a business relationship with Shetland UHI. It will be brought to the attention of all employees and Board members, and will form part of the induction process for new staff and Directors. It is incumbent on all of the above to report any concerns they may have concerning bribery.

- 3.3 In implementing this policy, managers must ensure that all staff are treated fairly and within the provision and spirit of Shetland UHI’s **Equal Opportunities Policy**. Shetland UHI has procedures in place that reduce the likelihood of bribery occurring. These include Standing Orders, Financial Regulations, documented policies and procedures, including on public interest disclosure, a system of internal control (including Internal and External Audit) and a system of risk assessment.

4. Policy

- 4.1 All employees have a personal responsibility to protect Shetland UHI from bribery or corruption, are responsible for maintaining the highest standards of business conduct and are expected to behave honestly and with integrity.
- 4.2 Shetland UHI is absolutely committed to maintaining an honest, open and constructive culture so as best to fulfil its’ objective. It is, therefore, also committed to the elimination of bribery, to the

Shetland UHI Finance Policy Handbook

rigorous investigation of any such allegations and to taking appropriate action against wrong doers, including possible criminal prosecution.

- 4.3 All gifts, payments or any other contribution whether in cash or in kind, shall be documented, regularly reviewed, and properly accounted.
- 4.4 Shetland UHI procures goods and services ethically and transparently with the quality, price and value for money determining the successful supplier/contractor, not by receiving (or offering) improper inducements. Shetland UHI will not engage in any form of bribery, either in the UK or abroad.
- 4.5 Shetland UHI prohibits employees and associated persons from offering, giving, soliciting or accepting any bribe in any way, or to give, or be perceived to have given, a financial or other advantage to any person (whether a UK or foreign public official, political candidate, party official, private individual, private or public sector employee or any other person) in order to induce that person to perform his/her functions or activities improperly. The bribe might include cash, a gift or other inducement, to or from any person or organisation, whether they are situated, and irrespective of whether or not they are a public official/body or private person or company, by an individual governor, employee, agent or other person or body acting on Shetland UHI's behalf. The bribe might be in order to:
 - Gain any commercial, contractual or regulatory advantage for Shetland UHI in a way which is unethical;
 - Gain any personal advantage, pecuniary, or otherwise, for the individual or anyone connected with the individual.
- 4.6 Shetland UHI may, in certain circumstances, be held responsible for acts of bribery committed by intermediaries acting on its behalf such as subsidiaries, clients, business partners, contractors, suppliers, agents, advisors, consultants or other third parties. The use of intermediaries for the purpose of committing acts of bribery is prohibited.
- 4.7 All intermediaries shall be selected with care, and all agreements with intermediaries shall be concluded under terms that are in line with this policy. Shetland UHI will contractually require its agent and other intermediaries to comply with the Anti Bribery Policy and to keep proper books and records available for inspection by Shetland UHI, auditors or investigating authorities. Agreements with agents and other intermediaries shall at all times provide for the necessary contractual mechanisms to enforce compliance with the anti-bribery regime. Shetland UHI will monitor performance and, in case of non-compliance, require the correction of deficiencies, apply sanctions, or eventually terminate the agreement even if this may result in a loss of business.
- 4.8 All employees should be aware that bribery will normally be regarded as a serious disciplinary offence which will be addressed in accordance with Shetland UHI's existing disciplinary policy and associated procedures.

5. Facilitation Payments

- 5.1 "Facilitation payments" are payments made to secure or expedite the performance of a routine action by a government official or agency to which the payer (or the company) has legal or other entitlement.
- 5.2 Facilitation payments are prohibited under The Bribery Act like any other form of Bribe. They shall not be given by Shetland UHI or Shetland UHI's employees in the UK or any other country.

Shetland UHI Finance Policy Handbook

6. Gifts and Hospitality

- 6.1 This policy is not intended to prohibit appropriate corporate entertainment and/or hospitality undertaken in connection with Shetland UHI's business activities, provided the activity is customary under the circumstances, is proportionate, and is properly recorded/disclosed to Shetland UHI in accordance with its procedures.
- 6.2 Courtesy gifts and hospitality must not be given or received in return for services provided or to obtain or retain business but shall be handled openly and unconditionally as a gesture of esteem and goodwill only. Gifts and hospitality shall always be of symbolic value, appropriate and proportionate in the circumstances, and consistent with local customs and practices. They shall not be made in cash. Please refer to Shetland UHI's Gifts and Hospitality guidance and register for more guidance.

7. Political and Charitable Contributions

- 7.1 Shetland UHI does not make any contributions to politicians, political parties or election campaigns.
- 7.2 As a responsible member of society, Shetland UHI may take charitable donations. However, these payments shall not be provided to any organisation upon suggestion of any person of the public or private sector in order to induce that person to perform improperly the function or activities which he or she is expected to perform in good faith, impartially or in a position of Shetland UHI or to reward that person for the improper performance of such function or activities.
- 7.3 Any donations and contributions must be ethical and transparent. The recipient's identity and planned use of the donation must be clear, and the reason and purpose for the donation must be justifiable and documented. All charitable donations will be publicly disclosed.
- 7.4 Donations to individuals and for-profit organisations and donations paid to private accounts are incompatible with Shetland UHI's ethical standards and are prohibited.

8. Sponsoring

- 8.1 Sponsoring means any contribution in money or in kind by Shetland UHI towards an event organised by a third party in return for the opportunity raise Shetland UHI's profile. All sponsoring contributions must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the consideration offered by the event host. They may not be made towards events organised by individuals or organisations that have goals incompatible with Shetland UHI's ethical standards or that would damage Shetland UHI's reputation. All sponsorships will be publicly disclosed.
- 8.2 Where commercial sponsorship is used to fund Shetland UHI's training events, training materials and general meetings, the sponsorship must be transparent, pursuant to a written agreement, for legitimate business purposes, and proportionate to the occasion. Where meetings are sponsored by external sources, that fact must be disclosed in the papers relating to the meeting and in any published minutes/proceedings.
- 8.3 Where sponsorships links to the development of guideline and advice, this should be carried out in consultation with Shetland UHI's nominated member of the senior management team.

9. Raising Concerns

- 9.1 Employees and associated persons are requested to remain vigilant in preventing, detecting and reporting bribery. Employees and associated persons are expected to report any concerns regarding any suspected bribery in accordance with Shetland UHI's procedures outlined in

Shetland UHI Finance Policy Handbook

Shetland UHI's Public Interest Disclosure Policy, which will be rigorously enforced, so that no individual will suffer any detrimental treatment as a result of reporting reasonably held suspicions. The Public Interest Disclosure Act 1998 came into force in July 1999 and gives statutory protection, within defined parameters, to staff who make disclosures about a range of subjects, including bribery and corruption, which they believe to be happening within the organisation employing them. Within this context, "reasonably held" means suspicions other than those which are raised maliciously and are subsequently found to be groundless.

- 9.2 Any unfounded or malicious allegations will be subject to a full investigation and appropriate disciplinary action.
- 9.3 Individuals (be they employees, temporary workers, volunteers, consultants, contractors or suppliers) must not communicate directly with any member of the press, media or any other third party about a suspected act of bribery, but should address any such concerns in accordance with Shetland UHI's Public Interest Disclosure Policy.

10. Roles and Responsibilities

Board of Management	<ul style="list-style-type: none"> • The Board has a duty to ensure that it provides a secure environment in which to work, and one where people are confident to raise concerns without worrying that it will reflect badly on them. This extends to ensuring that staff feel protected when carrying out their official duties and are not placed in a vulnerable position. If staff have concerns about any procedures or processes that they are asked to be involved in, Shetland UHI has a duty to ensure that those concerns are listened to and addressed. • The Board and/or the Accounting officer will be liable to be called to account for failing to prevent bribery. Shetland UHI therefore has a duty to ensure employees receive adequate training and support in order to carry out their responsibilities.
Executive Leadership Team	<ul style="list-style-type: none"> • The Principal and/or another nominated member of the senior management team will monitor and ensure compliance with this policy • Shetland UHI will provide any anti bribery training to all relevant employees to make them aware of our Anti Bribery Policy and guidelines, in particular of possible types of bribery, the risks of engaging in bribery activity, and how employees may report suspicion of bribery.
Senior Staff	<ul style="list-style-type: none"> • Line managers at all levels have a responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. The responsibility for the prevention and detection of bribery therefore primarily rests with managers but requires the co-operation of all employees. • As part of that responsibility, line managers need to: <ul style="list-style-type: none"> • inform staff of Shetland UHI's Code of Conduct and counter fraud and anti-bribery policies as part of their induction process, paying particular attention to the need for accurate completion of personal records and forms. • ensure that all employees for whom they are accountable are made aware of the requirements of the policy.

Shetland UHI Finance Policy Handbook

	<ul style="list-style-type: none">• ensure that adequate control measures are out in place to minimise the risks. This must include clear roles and responsibilities, supervisory checks, staff rotation (particularly in key posts), separation of duties wherever possible so that control of a key function is not invested in one individual, and regular reviews, reconciliations and test checks to ensure that control measures continue to operate effectively.• be aware of Shetland UHI's anti bribery policy• identify sensitive/at-risk posts• ensure that controls are being complied with• contribute to their line manager's assessment of the risks and controls within their area, which feeds into Shetland UHI's overall statements of accountability and internal control. <ul style="list-style-type: none">• All instances of actual or suspected bribery, which came to the attention of a manager, must be reported immediately. It is appreciated that some employees will initially raise concerns with their manager, however, in such cases managers must not attempt to investigate the allegation themselves, and they have the clear responsibility to refer the concerns in line with Shetland UHI's Public Interest Disclosure Policy as soon as possible.• The Head of Information Security (or equivalent) will contact the Principal immediately in all cases where there is suspicion that Shetland UHI's IT infrastructure is being used for the purposes of bribery. This includes inappropriate internet/intranet, e-mail, telephones and PDA's.
Staff	<ul style="list-style-type: none">• For the purposes of this policy, "Employees" include Shetland UHI's staff, Board of Directors, volunteers, temporary workers, consultants and contractors.• Directors and staff at all levels will lead by example in acting with utmost integrity and ensuring adherence to all relevant regulations, policies and procedures.• Employees must act in accordance with Shetland UHI's Staff Codes of Conduct and Standing Orders which include guidance on the receipt of gifts or hospitality.• Employees who are involved in receiving offers of sponsorship, funding or gifts from outside agencies also should comply with their own professional codes of practice where applicable.

Shetland UHI Finance Policy Handbook

Treasury Management

Policy Summary

Sets out the approach of Shetland UHI to:

- Cash flow management
- Valuation of assets
- Borrowing and investment
- Appointment of bankers and professional financial advisors
- Banking arrangements

Relevant to

- Procurement
- Anti-Bribery
- Debt management

Links to

- Risk management
- HR- disciplinary procedures

1. Purpose

The purpose of this policy is to ensure the management of cash resources and assets reflects a responsible approach in line with Shetland UHI's management of risk.

2. Scope

Treasury Management refers to all aspects of financial management relating to the liquidity of Shetland UHI and any methods used to underpin the organisation's cash flow (its ability to meet the organisation's obligations within the forecast period).

3. Treasury management policy

- 3.1 Shetland UHI will undertake regular cash flow forecasting to ensure its working capital needs are properly assessed in the context of planned income and funding targets.
- 3.2 **Surplus cash** may be invested ethically and responsibly with due regard to risk, access to capital in a reasonable term if needed, and the advice of finance professionals.
- 3.3 **The valuation** of assets (land, property or equipment) considered by auditors to be a component of the organisation's reserves must be underpinned by an assessment of their current value and market demand (the likelihood the value can be realised within a reasonable period of time).
- 3.4 **Grants** awarded to Shetland UHI, solely or in partnership, in currencies other than GBP will be managed with due regard for the potential impact of changes in currency values affecting the value of the grant and appropriate measures to offset potential changes in currency value as approved by the funder.
- 3.5 Shetland UHI must comply with the Scottish Funding Council rules regarding approval for any secured or unsecured loans that go beyond the general consent levels set out in the financial memorandum. The Finance and General Purposes committee has a responsibility to ensure implementation, monitoring and review of such arrangements.
- 3.6 All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the **Senior Finance Officer** within an appropriate reporting

Shetland UHI Finance Policy Handbook

system. All borrowing shall be undertaken in the name of the Shetland UHI and shall conform to any relevant funding council requirements. The **Senior Finance Officer** will report to the Finance and General Purposes committee in each financial year on the activities of the treasury management operation and on the exercise of treasury management powers delegated to him or her.

4. Appointment of bankers and other professional advisers

4.1 The Board of Management is responsible for the appointment of the Shetland UHI's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance and General Purposes committee. The appointment shall be for a specified period after which consideration shall be given by the Finance and General Purposes committee to re-tendering the service.

4.2 Appointment of bankers and professional advisers will comply with procurement policy.

Banking arrangements

4.3 The **Senior Finance Officer** is responsible, on behalf of the Finance and General Purposes committee, for liaising with Shetland UHI's bankers in relation to bank accounts, and the issue of cheques. All cheques shall be ordered on the authority of the Senior Finance Officer, who shall make proper arrangements for their safe custody.

4.4 Only the **Senior Finance Officer** may open or close a bank account for dealing with Shetland UHI's funds. All bank accounts shall be in the name of the Shetland UHI.

4.5 All cheques drawn on behalf of Shetland UHI must be signed in the form approved by the Finance and General Purposes committee. All cheques require two signatures. Details of authorised persons shall be provided for in the Shetland UHI Bank Mandate.

4.6 All automated transfers on behalf of the Shetland UHI, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Finance and General Purposes committee. Details of authorised persons shall be provided for in the Shetland UHI Bank Mandate.

4.7 The **Senior Finance Officer** is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

5. Roles and Responsibilities

Board of Management	<ul style="list-style-type: none">• The Board has a duty to ensure the organisation's liquidity• The Board has overall responsibility for the appointment of bankers and other professional advisers
Finance and General Purposes Committee	<ul style="list-style-type: none">• Procurement and recommendation to the Board on bankers and financial advisers• Establishment of authorisation and monitoring procedures for bank accounts and transactions
Senior Staff	<ul style="list-style-type: none">• The Senior Finance Officer will ensure:<ul style="list-style-type: none">• Regular cash flow forecasting• Proactive planning to maximise the value of surpluses for the benefit of Shetland UHI• Planning to mitigate risks to Shetland UHI's liquidity• Appropriate liaison with bankers and professional financial advisors

Shetland UHI Finance Policy Handbook

- Adherence to and management of banking and transaction authorisation procedures

Debt Management

Policy Summary

Sets out the approach of Shetland UHI to:

- Reducing debt liability

Relevant to

- Student debt management
- Raising of invoices

Links to

- Risk management

1. Purpose

Debt management seeks to reduce the risk to Shetland UHI of being owed, or owing money in a way that negatively impacts on cash flow.

2. Scope

2.1 This policy applies to all staff with any involvement in the sales or purchasing process.

2.2 The management of student debt is dealt with in the Student section of the Finance Handbook.

3. Policy

2.1 At all times, the management of debt and payments will have due regard for the management of cash flow by the Senior Finance Officer.

Debts owed to Shetland UHI

2.2 Shetland UHI is committed to reducing the probability of bad debts arising. Shetland UHI will ensure that a robust debt management procedure is adhered to by all relevant staff and is applied to all company and student sales transactions.

2.3 Shetland UHI operates a policy whereby companies are required to pay for a service in advance of the service commencing, or at an agreed interval if authorised by the Senior Finance Officer.

2.4 Shetland UHI may apply payment terms for services and goods not paid for in advance as deemed appropriate by the Senior Finance Officer. This may include a premium for payment after delivery if payment in advance was an option for the customer.

2.4 In exceptional circumstances the Senior Finance Officer may approve an instalment plan.

Debts owed by Shetland UHI to external companies

2.5 The schedule of payments for services or goods should comply with any arrangements contracted as a result of procurement or other purchasing; however, this should be arranged to maximise the positive management of cash flow.

Shetland UHI Finance Policy Handbook

2.6 Shetland UHI such seek to make best use of discounts for advance payments etc but to ensure at all times that services and goods of the required quality and quantity have been received when payments are made.

2.7 Shetland UHI will ensure that micro- or small businesses and sole traders are not disadvantaged by Shetland UHI's payment arrangements.

3. Responsibility

Senior Staff	<ul style="list-style-type: none">• The Senior Finance Officer will ensure:<ul style="list-style-type: none">• Adherence to debt policy and management of creditors and debtors
Staff	<ul style="list-style-type: none">• Appropriate communication of Shetland UHI payment and debt policy to customers and suppliers and adherence to the policy.

Shetland UHI Finance Policy Handbook

Financial Procedures

Policy Summary

Sets out the approach of Shetland UHI to:

- Ensuring the processing of all financial transactions reflects good practice
- Assisting the smooth functioning of Shetland UHI
- Responding appropriately to claims and reimbursements

Relevant to

- Student finance section
- Staff finance section
- Financial regulations
- Procurement

Links to

- Risk management

1. Purpose

To set out, in broad terms, the financial procedures used to ensure day to day transactions are made appropriately.

2. Scope

2.1 The financial procedures outlined in this policy are broad and general, relating to the day to day ordering, payments, claims and reimbursements staff and students may need. It is not a comprehensive or detailed description of processes.

2.2 Training for finance and administration staff is essential to ensure detailed knowledge of finance procedures, including appropriate identification of unusual or exceptional circumstances not covered by this broad policy for which advice from senior staff or the Senior Finance Officer should be sought.

3. Policy and procedures

3.1 Petty cash

3.1.1 An appropriate petty cash limit (including cash floats for sales points in or outside of Shetland UHI at events or activities) will be agreed by a senior administrator or finance officer on request from staff undertaking activities.

3.2.2 Cash security will be considered when issuing petty cash. Lockable cash boxes, lockable drawers etc will be resourced to ensure cash security as far as possible. Employees will be encouraged to return surplus cash to Shetland UHI finance officers as soon as practicable.

3.2.3 The need for petty cash will be minimised by:

- Ensuring prompt reimbursement for claims made by staff who make cash purchases using their own money, reducing reliance on petty cash advances (although due consideration for staff personal cash flow will always be made)
- Responsible, planned and authorised use of bank cards by senior staff

Shetland UHI Finance Policy Handbook

- Proactive use of electronic payment terminals within and outwith Shetland UHI at any sales points where income by card payment can be encouraged, reducing the need for large cash floats.

3.2 Ordering/Purchasing (see also Purchasing Policy)

3.2.1 The authority to issue purchase orders, negotiate contract terms, prepare tender documents and invite and oversee the opening of tenders in accordance with these regulations, is vested in the appropriate Senior Manager. No other member of staff may place orders either verbally or in writing directly with Shetland UHI 's external suppliers.

3.2.2 Delegated authority for ordering and respective levels of expenditure will be reviewed regularly.

3.2.3 Budgets allocated to departments or sections should be planned annually in advance and reviewed quarterly. The Senior Finance Officer will consider diverting unused budget capacity to areas of greater need when necessary.

3.2.4 Staff ordering goods or services (below the procurement threshold) will consider the most cost-effective approach to purchasing. Shetland UHI finance and administration staff will endeavour to create efficiencies and savings by co-ordinating bulk purchasing of goods across all departments or sections where this is effective.

3.2.5 Staff ordering goods or services will assess how best to make their purchases in line with Shetland UHI's commitment to sustainability and ethics, ensuring wherever possible that environmental, human rights and fair work considerations inform purchasing.

3.2.6 In determining the supplier with whom the purchase order is to be placed, the appropriate Senior Manager is responsible for ensuring that if a Shetland UHI contract exists, orders are placed in accordance with the terms and conditions of that contract.

3.2.7 Finance and administration staff will make orders to be accompanied by electronic payments where this is the cheapest and most efficient method of ordering, on receipt of an order request. Details of the order, transaction and delivery date, with warranties and guarantees, will be filed for consumer protection and insurance purposes.

3.2.8 Senior staff may make orders direct with suppliers, to be invoiced to Shetland UHI, within the limits of their delegated authority and where informed engagement with the supplier is required due to the specification or specialisation of the purchase. This should be confirmed with an order request via finance and administration staff. Invoices will be passed to finance and administration staff, followed by delivery notes, warranties and guarantees, to be filed for insurance purposes and addition to the asset register when required.

3.2.9 For significant purchases **over £x and below £x** staff will be required to show they have assessed the product or service as best value in terms of price, durability, quality, fitness for purpose and sustainable and ethical considerations.

3.2.10 For significant purchases **over £x** and under the procurement threshold, senior staff will be required to provide an additional outline business case (if not already approved in the annual

Shetland UHI Finance Policy Handbook

budget process) and an appraisal of three purchase options with the recommended product or service.

3.3 Reimbursement for orders/purchases

3.3.1 Staff or students who make personal payments for goods or services should be reimbursed promptly. However, reimbursements will only be made where the goods or services have been agreed in line with delegated authority or otherwise pre-approved.

3.3.2 Any goods or services purchased by staff are still subject to the appropriate filing of receipts, warranties and guarantees for insurance purposes and the asset register.

3.4 Receipt of goods

3.4.1 Any goods that are purchased and delivered will be recorded as above (receipts, warranties and guarantees).

3.4.2 Any staff receiving deliveries on behalf of Shetland UHI must ensure that delivery notes and the goods delivered reach the named recipient for their filing of receipts, warranties and guarantees via administration or finance staff.

3.4.3 Goods may be received by donation or other acquisition. These goods are still assets of the organisation and a record of receipt should still be made for insurance and asset register purposes, outlining the value, condition and provenance of the item.

3.5 Income

3.5.1 Income may be received during day to day activity (e.g. canteen, Textile Facilitation Unit, student contribution for materials, outside activities and events). Where this is an expected aspect of activities staff should plan for appropriate recording of income and security of cash/cheque payments, forwarding these to finance and administration staff promptly.

3.5.2 Finance and administration staff should ensure prompt banking of surplus cash over the agreed amounts of petty cash / cash floats to be held within Shetland UHI.

3.5.3 Income received must not be transferred to, or treated as, petty cash.

3.5.4 Finance and administration staff receiving income should check amounts against the records provided and make the appropriate record of the transactions in the finance system.

3.5.5 The need for cash payment will be minimised as much as possible by use of electronic payment terminals. Where electronic payments are made, receipts will be recorded (within the electronic payment system used). Electronic payment terminals should be programmed in advance to record sales against items, to assist in stock control and refunds, accurate allocation of funds against cost centres and good business management.

3.5.6. Staff must not provide cash in return for a cheque or electronic payment.

3.5.7 Staff providing goods or services for which invoices are to be issued to customers should provide finance and administration staff with details and agreed payment arrangements (in line with Shetland UHI's Debt Policy). Staff should ensure that if advance payment is expected, that goods or services should not be provided until payment is confirmed.

Shetland UHI Finance Policy Handbook

3.5.8 Finance and administration staff should ensure staff are appropriately informed of payments received and the details of confirmed customers expecting goods or services.

4. Responsibility

Senior Finance Officer	<ul style="list-style-type: none">• Set and review delegated authority for purchasing• Ensure adherence to procedures by all staff• Develop and create guidance and support to ensure all staff can make purchases responsibly, sustainably and ethically, and achieve best value across all Shetland UHI functions.• Review and develop systems to ensure Shetland UHI is a responsible purchaser and a high quality supplier with excellent customer service.
Senior Staff	<ul style="list-style-type: none">• Staff with delegated authority will ensure:<ul style="list-style-type: none">• A positive approach to value for money• Compliance with Shetland UHI systems for ordering, payments, claims etc and appropriate monitoring and support of staff using such systems• Operation within Shetland UHI-wide contracts with suppliers and adherence to procurement guidelines
Staff	<ul style="list-style-type: none">• Adherence to Shetland UHI policies and procedures for purchasing and receiving goods.• Adherence to Shetland UHI policies and procedures for receiving income, keeping records and keeping cash/cheques received secure.

Shetland UHI Finance Policy Handbook

Delegated Authority

Policy Summary

Sets out the approach of Shetland UHI for delegated levels of authority for:

- Purchasing
- Budgets
- Selection of suppliers
- Asset disposals
- Funding agreements
- Financial transactions

Relevant to

- Finance procedures
- Staff finance section
- Financial regulations
- Procurement

Links to

- Risk management

1. Purpose

To set out a framework for delegated authority to support the smooth running of Shetland UHI.

2. Scope

The policy applies to all regular and anticipated financial decision making. Unusual or exceptional items should be escalated to the Senior Finance Officer, CEO and to the Finance and General Purposes committee when necessary.

3. Policy

	Item	Value	Authorisation
3.1	Capital programme	Purchases/contracts up to £20K	CEO (following procurement exercise over £12k)
		Purchases/contracts from £20K up to £50K	Finance & General Purposes Committee (following procurement exercise)
		Purchases/contracts £50,001 and above	Board of Management on recommendation of F&GP Committee (following procurement exercise)
3.2	Asset disposals (excluding land and buildings)	Up to £1k estimated value	Any senior manager
		Between £1k and £5k	CEO
		Over £5k	F&GP Committee (recommendation to Board of Management if strategic implications)
3.3	Land and Buildings acquisition or disposals	Any value	Board of Management on recommendation of F&GP Committee
3.4	Section/department budgets	Annual budget setting	F&GP Committee on recommendation of CEO
3.5	Virement (excl salary)	Up to £1k	Any senior manager within their own budget authority

Shetland UHI Finance Policy Handbook

		Between £1k and £5k	CEO
		Over £5k	F&GP Committee on recommendation of CEO
3.6	Purchasing Staff may only approve purchases within budgets for which they have authority; Purchasing includes goods and services, including services for disposal of assets	Up to £1k	Budget holder; value for money principles apply
		Between £1k and £5k	Any senior manager; three quotes / price comparison required
		Between £5k and £10k	CEO; cost options appraisal required
		Over £10,001	F&GP Committee for detailed review and recommendation to Board (Procurement exercise required over £12k)
3.7	Choice of supplier for regular / repeat goods or services	The Senior Finance Officer should be aware of all regular / repeat needs for goods and services and take steps to ensure a fair, open and transparent process of selection of suppliers. Local advertising of opportunities could be applied to any of the budgetary levels below the procurement threshold at the discretion of the Senior Finance Officer	
		Up to £1k per annum	Budget holder; value for money principles apply
		Between £1k and £5k	Any senior manager; three quotes / price comparison required
		Between £5k and £12.5k	CEO; cost options appraisal required
		Between £12.5k - £172,514	Procurement exercise via Public Contracts Scotland portal F&GP Committee recommendation to Board
		Over £172,514	EU regulations apply Board of Management
3.8	Funding agreements and contracts: <ul style="list-style-type: none"> Committing Shetland UHI to targets and activities by receiving grants/contracts; Entering into partnerships by agreement or contract to deliver services or activities; 	The CEO should be aware of all funding proposals or contracts being developed concerning the commitment of staff resources, physical resources, match funding in cash or in kind, for the delivery of the proposed work.	
		Up to £5k	Any senior manager
		Between £5k and 50K	CEO
		Over £50k	F&GP Committee* *Chair of F&GP Committee may approve a final proposal which has been agreed in principle by the committee
3.9	Debt write-off <ul style="list-style-type: none"> Proposed after consideration of cost of repeated attempts at recovery and likelihood of recovery Consideration and decision recorded for audit purposes 	Up to £5k	Senior Finance Officer
		Between £5k and £7.5k	CEO with notification to F&GP Committee
		Over £7.5k	Board on recommendation by F&GP Committee
3.10	Settlement of insurance claim	Up to £10k	CEO with notification to F&GP Committee
		Over £10k	Board on recommendation by F&GP Committee
3.11	Petty Cash	Up to £100	Budget holder

Shetland UHI Finance Policy Handbook

		Over £100	Senior Manager
3.12	Staff Travel	Prior approval should be sought as per delegated authority for all overseas travel	
	Staff	Up to £250 /Over £250	Budget holder / Senior managers
	Senior managers	All	Principal
	Principal	All	Chair of F&GP Committee
	Board members & Secretary to the Board	All	Chair of Board
	Chair of Board	All	Chair of Audit Committee

Procurement and Purchasing

Shetland UHI Finance Policy Handbook

Purchasing

Policy Summary

Sets out the approach of Shetland UHI to purchasing:

- Steps to take before purchasing
- Health and safety, sustainability and ethical considerations
- Steps to take after purchasing

Relevant to

- Finance procedures
- Financial regulations
- Delegated authority
- Procurement

Links to

- Risk management

1. Purpose

To outline general principles for ensuring purchasing meets legal, health and safety, sustainability and ethical guidelines.

2. Scope

The policy applies to purchases at any level, whether by procurement or simple best value process. It applies to all purchases of new and used goods.

The principles also apply to donated goods where legal, health and safety, sustainability or ethical considerations apply.

3. Policy

3.1 Purchase, hire, borrow or request

Before purchasing, staff should consider:

- The “business case” for the items – whether the expenditure is justified in terms of its use within courses or activities required to generate income for Shetland UHI; and whether the cost is covered by anticipated income;
- Hire options, which may represent better value for short-term/intermittent use (check with the Senior Finance Officer for insurance implications);
- Borrow options, from other Institutes, organisations or industry partners (check with the Senior Finance Officer for insurance implications);
- Donation options – could an industry partner, benefactor or other funder pay for the equipment? As a charity, Shetland UHI can receive goods in kind or cash to purchase specific items. Gifts must be considered carefully in line with Shetland UHI Policy and must not be considered if there is any suggestion of preferential treatment of the donor.

3.2 Using charity discount schemes

Before purchasing, staff should consider using charity schemes such as:

- <https://www.charitydigitalexchange.org/> (Software and IT)
- <https://www.inkindirect.org/> (consumables, stationary, office, crafts, cleaning products)

Shetland UHI Finance Policy Handbook

- <https://www.givingworld.org.uk/> (consumables, stationary, office, crafts, cleaning products)

3.3 Gaining cash back for Shetland UHI

Shetland UHI is a charity registered with donation cash-back sites below. When purchasing (professional and personally) staff can gain income for Shetland UHI by clicking through these sites to their supplier site. The opportunity of a donation by this method should not influence purchasing decisions unless all other factors are equal (i.e. best value must come first).

<https://www.easyfundraising.org.uk/>

<https://www.everyclick.com/>

3.4 Health & Safety Considerations

It is the purchaser's responsibility to ensure that new goods will comply with Shetland UHI's Health and Safety Policy and all current and imminent legislation before they are ordered.

In particular:

- Provision and Use of Work Equipment Regulations (PUWER), 1998
- Lifting Operations and Lifting Equipment Regulation (LOLER), 1998

These regulations require risks to people's health and safety, from equipment that they use at work, to be prevented or controlled and apply to all Shetland UHI assets whether ashore or afloat. In addition to the requirements of PUWER, lifting equipment is subject to LOLER.

PUWER and LOLER require that equipment provided for use at work is:

- Suitable for the intended use
- Safe for use, maintained in a safe condition and, in certain circumstances, inspected to ensure that this remains the case
- Used only by people who have received adequate information, instruction and training; and
- Accompanied by suitable safety measures, sometimes referred to as hardware or software controls, e.g. protective devices, markings and warnings.

Whilst PUWER covers virtually all equipment used at work, other legislation also may have to be taken into consideration prior to purchase, including but not limited to the following:

- Control of Noise at Work Regulations, 2005
- Control of Vibration at Work Regulations, 2005
- Control of Substances Hazardous to Health Regulations, 2003
- Dangerous Substances in Explosive Atmospheres Regulations, 2002
- Pressure Systems Safety Regulations, 2002
- Pressure Equipment Regulations, 1999

Further information on Health & Safety Considerations can be obtained from **the Health and Safety section on SharePoint and by contacting Shetland UHI's Health & Safety Coordinator.**

Shetland UHI Finance Policy Handbook

3.5 Environmental sustainability considerations

Before purchasing equipment, goods or services the purchaser must give consideration to the effects on the environment of their purchases, not only the through life effects such as energy consumption and maintenance requirements but also those of storage and disposal.

3.6 Technical Specifications

All purchases of goods and equipment must conform to the relevant standards. In general these will be EU (CE Mark) or BS EN standards but other standards, such as those for marine equipment (e.g. IMO's Wheelmark) may also have to be met, not only by the equipment itself but also by those responsible for installing it.

3.7 Portable electrical equipment and electrical installations

All portable electrical equipment purchased must be inspected and added to the Portable Appliance Test Register prior to use. All electrical installations must be installed by a suitable competent person or contractor, to the relevant current standards e.g. IEE Regulations.

3.8 Ethical considerations

Purchasers should consider, as far as possible, how the production and sale of items reflects fair labour practices and environmental justice at the point of origin of raw materials or manufacture.

3.9 Asset registers

As advised in the Financial Procedures Policy, all non-consumable items should be recorded as assets for the purposes of insurance and accounting. Receipts, warranties and guarantees should be provided to finance and administration staff for filing.

3.10 Instruction and maintenance manuals

Instruction and maintenance manuals should be secured in an accessible location close to the equipment; or a summary guide produced and displayed. Manuals may be filed; it is good practice to scan and store an electronic copy of manuals.

3.11 Before purchasing

- Check delegated authority and budget provision
- Check procurement requirements
- Research products and suppliers, producing the required quotes or proposals for the recommended purchase
- Research any fitters/installers, maintenance specialist contractors, delivery specialists etc required and ensure this forms part of the budget/best value considerations
- Assess any user training required and ensure this forms part of the budget/best value considerations
- Check the above criteria 3.1 to 3.10
- Check the asset register and/or consider whether other Shetland UHI sections already have the item. Consider sharing items.
- Flag to other relevant sections the intention to purchase. Consider sharing items. Pooling budget designated for purchases may allow better quality items or shared savings.

Shetland UHI Finance Policy Handbook

3.12 After purchasing

- File receipts, warranties, guarantees and manuals as per guidance
- Notify the staff responsible for the asset register where the item will be located or stored, and which staff are responsible for its use, upkeep or maintenance
- Arrange for any training required for users
- Arrange for instructions to be displayed
- Dispose of packaging responsibly, recycling or re-using where possible
- Diary any maintenance schedule requirements and note future budget provision for this with the Senior Finance Officer
- Check the above criteria 3.1 to 3.10

4. Standard Purchasing Procedure

4.1 Please refer to Delegated Authority policy

4.2 Please refer to Financial Procedures

4.3 New supplier details should be received from the Requisitioner addressed to the **Senior Finance Officer** who will confirm details. The Senior Finance Officer will arrange for the supplier to be set-up in the finance system. The Senior Finance Officer will ensure that the approvals accord with the delegated authority schedule, and give due regard to clear segregation of duties, and confirm that supplier payment details are directly received by the **finance and administration team**.

4.4 Purchase Order Requisitions (POR): a formal request should be input into the finance system to source the most appropriate goods and/or services. The **finance and administration team** will then arrange for supplier details to be entered into the finance system (if not already on the system). For more specialised items, the requesting department/section will provide the item specification. Once set-up, these items are sent for approval, and then automatically despatched to a supplier's back office for processing.

4.5 Official Purchase Order Requisitions: all staff with appropriate authority to raise PORs or to approve PORs, are individually responsible for ensuring that all orders are processed through the finance system, ensuring that resultant official purchase orders are used for all Shetland UHI purchase transactions.

4.6 For receiving goods, please refer to the Purchasing Policy and Finance Procedures

4.7 For receiving services: when the supplier completes the service to the satisfaction of the requisitioner, the requisitioner will receipt the order, if they have the delegated authority to do so. If they do not have this authority, then they will inform the **finance and administration team** who will receipt on their behalf. Once receipted, all transactions will be interfaced with Shetland UHI's financial system.

4.8 Invoices: all supplier invoices should be directly received in the **finance and administration team**. The team will (within the financial system), check that the goods/services have been received, then match the invoice against the official purchase order. Any invoices received in the **finance and administration team** without an official purchase order will be required to be matched with ordering details (print out, email, screen shot).

4.9 Payment by BACS is the preferred method of settlement.

Shetland UHI Finance Policy Handbook

4.10 Urgent Purchase Orders: when it is necessary to arrange urgent supply and there is no time to input details in the finance system, a verbal order may be given. This will primarily relate to maintenance, canteen etc. It is normal for “blanket” type purchase orders to be set up for purchases from regular suppliers. Once these “urgent” purchase orders are arranged, normal requisition details must be entered in the finance system, and processed as normal.

4. Responsibility

Senior Finance Officer	<ul style="list-style-type: none"> • Set and review delegated authority for purchasing • Ensure adherence to procedures by all staff • Develop and create guidance and support to ensure all staff can make purchases responsibly, sustainably and ethically, and achieve best value across all Shetland UHI functions. • Review and develop systems to ensure Shetland UHI is a responsible purchaser and that stock control (consumable items) and storage/maintenance (non-consumable items) are carried out effectively, encouraging equipment sharing, joint purchasing and other best value arrangements.
Senior Staff	<ul style="list-style-type: none"> • Staff with delegated authority will ensure: <ul style="list-style-type: none"> • A positive approach to value for money • Planning for all costs associated with purchasing: training, maintenance, delivery etc • Compliance with Shetland UHI systems for ordering, payments, and appropriate monitoring and support of staff using such systems • Operation within Shetland UHI-wide contracts with suppliers and adherence to procurement guidelines
Staff	<ul style="list-style-type: none"> • Adherence to Shetland UHI policies and procedures for purchasing and receiving goods. • Proactive approach to sharing equipment, joint purchasing and other best value arrangements. • Proactive use of Shetland UHI’s charitable status for donations, discounts and access to charity purchasing/redistribution schemes • Commitment to looking after equipment and maintaining its life for as long as possible.

Shetland UHI Finance Policy Handbook

Procurement

Policy Summary

Sets out the approach of Shetland UHI to procurement:

- Procurement thresholds
- Openness and transparency below the procurement threshold
- Development of specifications
- Selection criteria
- APUC
- Managing contractors

Relevant to

- Finance procedures
- Financial regulations
- Delegated authority
- Purchasing

Links to

- Risk management

1. Purpose

1.1 This policy sets out the legal framework within which all procurement in Shetland UHI should be undertaken, and identifies the key practices that will ensure effective procurement.

1.2 Effective procurement of goods and services is based on best “fit” and value for money, but having due regard to propriety and regularity. Value for money is defined as the optimum combination of whole-life cost and quality (or fitness for purpose) to meet the user’s requirement.

1.3 Shetland UHI Financial Regulations. Finance Procedures, Delegated Authority and Purchasing Policy inform this policy.

3. Scope

3.1 All types of purchasing must be supported by a pre-determined budget agreed by the Director of Finance.

3.2 Procurement good practice should be applied to purchasing above and below procurement thresholds.

2. Policy

All purchasing activity in Shetland UHI must be undertaken in accordance with public procurement regulations, and will be based on the achievement of best ‘fit’ and value for money. The Purchaser must demonstrate propriety and due diligence at all times during the purchasing process.

4. Thresholds Value

4.1 Please refer to Delegated Authority policy

4.2 Note that contracts with an aggregated value over £172,514 over a 4 year period are subject to EU Regulations (goods and services) and must be approved by the Board of Management

Shetland UHI Finance Policy Handbook

- 4.3 Note that contracts with an aggregated value over £4,322,012 over a 4 year period are subject to EU Regulations (works) and must be approved by the Board of Management.
- 4.4 Purchasing to the value of £12,500 per annum or a £50,000 one off spend are subject to Procurement Reform (Scotland) Act 2014 and requires a tender exercise to be completed via Public Contracts Scotland
- 4.5 A contract award of £25,000 without competition must be approved in advance by the Scottish Funding Council
- 4.6 Any external consultancy contracts worth £100,000 aggregated over 4 years must be approved, in advance, by the Scottish Funding Council.

5. Obtaining Quotes

- Identify the specification for the purchase and the essential criteria, based on its intended use (note domestic-grade equipment may be appropriate in some circumstances but items designed for a heavy-use setting will require consideration of cost vs durability)
- Search the item by the criteria and compare cost; charity discount; delivery time and cost; aftercare and customer/product review
- File the quote comparison and recommendation in the finance system for internal audit.

6. Working with local suppliers below procurement thresholds (single or aggregated purchases)

- 6.1 Small local companies may gain significant benefit from Shetland UHI purchasing even where levels are below the procurement threshold. Due consideration should be given to how Shetland UHI business can be offered to local suppliers fairly and transparently. The Senior Finance Officer will plan this process.
- 6.2 Shetland UHI may advertise business opportunities at intervals for regular purchase needs from local suppliers in the local media, inviting suppliers to register with Shetland UHI for potential purchases, with no commitment to purchase (a supplier register), by submitting pre-qualification questionnaires (PQQs) which should be proportionately devised with micro- and small enterprises (MSEs) in mind.
- 6.3 An invitation to join a supplier register does not commit Shetland UHI to purchases with the supplier. However, a supplier register may be helpful to purchasers within Shetland UHI seeking quotes or making urgent purchase orders.
- 6.4 Whilst aggregating purchasing (bundling requirements) at times leads to better value, this may also disadvantage MSEs. This consideration should form part of Shetland UHI's planning.
- 6.5 MSEs are particularly disadvantaged by long payment terms. Fair practice with MSEs requires prompt payment within shorter terms.

7. Tendering Process

- 7.1 The objective of using a tender procedure is to obtain the best "fit" and the best value for money (VFM). The goods/service shall be of the right quality, available at the right time, fit for their intended purpose and affordable.
- 7.2 Shetland UHI works with APUC to manage procurement processes. The Senior Finance Officer will be the main liaison with APUC.
- 7.3 Shetland UHI may work with APUC to develop specifications which include social and environmental benefits when appropriate (see <https://www.gov.scot/policies/public-sector-procurement/community-benefits-in-procurement/>)

Shetland UHI Finance Policy Handbook

- 7.4 For values in excess of £12,500, a minimum of 3 formal tenders should be sought via Public Contracts Scotland Portal. Formal tenders are different from quotes because Shetland UHI department/section should fully explain its requirements/specifications to tenderers and may often assess information other than price (such as CVs) before awarding work.
- 7.5 If the estimated value of the contract is in excess of £172,514 EU policy and procedures will need to be followed. Specifications/tenders will be issued using the most appropriate route, in accordance with Public Sector Procurement directives.
- 7.6 On receipt of tenders, these will be financially evaluated, involving staff from APUC Ltd to assist with the process or using existing framework agreements sent to the department/section for technical evaluation. Once the technical evaluation is complete, the results should be used to conclude the award and notify unsuccessful tenderers.
- 7.7 Where the tender interest is likely to be high, applicants may be required to complete a pre-qualification questionnaire in order to be considered. The questionnaire will require information on areas such as the applicant's company size, experience, technical abilities, CVs and company accounts. Each item from each company will be scrutinised and assessed against criteria that have been agreed in advance for the particular contract. This should include economic viability. It may include consideration of proper assessment by the proposer of the logistics for supply, delivery, management or maintenance of contracts in the specific environment of the Shetland Islands, although it cannot preclude suppliers based in any location from making proposals.
- 7.8 Invitations to tender consist of a letter and package of documents stating Shetland UHI's terms and conditions. The package includes several sections:
- Section 1 The bidder's declaration that he understands Shetland UHI's requirements and his warranty that the bid is made in good faith; a form to confirm if the tenderer will not be able to comply with any of Shetland UHI's requirements and the costed implication of any non-compliance, Shetland UHI is at liberty to reject non-compliant bids. Finally, Parent Company Guarantee – Shetland UHI needs to understand the relationship that the tenderer has with its parent or subsidiary companies, including who will perform the contract, who carries the power of decision making, and will the parent company take over the performance of the contract in the event of the subsidiary ceasing to trade.
 - Section 2 Comprises Shetland UHI's general conditions of contract in the interests of protecting public money. Tenderers should not include their own terms and conditions when submitting tenders or bids.
 - Section 3 Comprises the price schedule. Where relevant and possible, Shetland UHI will consider "whole life" costs of all purchases to determine what is good VFM. It is therefore very important that prices are submitted in the same format as Shetland UHI's schedule form, which will vary from contract to contract.
 - Section 4 The specification or "Scope of Work" contains the particular requirements of the contract. Shetland UHI staff will make this as clear, concise and unambiguous as possible. If you have to make assumptions in a tender, they should be clearly stated so that bids can be compared fairly on a "like for like" basis.
 - Section 5 Includes the Administration Instructions including a section for the tenderer to complete.

Shetland UHI Finance Policy Handbook

7.9 The evaluation of tenders should be performed by a small panel of Shetland UHI staff but may include experts from outside agencies or the Board (this is the Evaluation Team); the end user will always be included. Each panel member should evaluate the bids individually by reference to their own copy of the information before the group meets to discuss the bids and agree a final shortlist. Each member should start the evaluation with a different tender to ensure no tender is unfairly disadvantaged because it is particularly lengthy or brief. All tenders are scored and a shortlist is produced before prices are considered.

7.10 Where possible the likely dates for presentation should be included in the invitation to tender. Only short-listed tenderers are invited to present their tender to the Panel. At the presentation, marks are awarded for areas such as communication and their ability to work as a team. The scores are added to the ones awarded for the bid. It is essential for Shetland UHI to ensure that the final contract agreed constitutes the best VFM possible and incorporates everything that has been agreed with the winning tenderer.

7.11 Any outstanding issues have to be clarified in writing and will be referred to in the Form of Agreement or the Letter of Acceptance that the tenderer receives at the end of the process. This will form part of the Post Evaluation Review.

7.12 Public sector procurement rules and EC Regulations clearly forbid “Dutch Auctions” – where several tenderers are asked in turn to improve their offers or risk losing the contract on cost grounds.

7.13 The EC rules require that unsuccessful parties are offered a debrief, which is also encouraged as a matter of Shetland UHI policy. This should help the tenderer to submit better work in the future. No information can be given about any other bids, as this is commercially confidential.

8. Post tender negotiations

8.1 Post tender negotiations, in order to improve price, delivery or other terms and conditions, can be entered into by the Director of Finance, provided:

- it would not put other tenderers at a disadvantage;
- it would not affect their confidence and Shetland UHI in the Shetland UHI’s tendering process.

8.2 In each case, a statement of justification should be approved by the Director of Finance prior to the negotiations. The Director of Finance shall keep detailed records of post tender negotiations

9. Non-Competitive Action (NCA)

9.1 It is Shetland UHI policy that goods, services and works must be bought by genuine and effective competition. NCA is only granted in exceptional circumstances. It is strictly limited to situations where competition is not deemed appropriate, which may include:

- Extreme and unforeseen emergency – in which case any purchase may only cover the period of unplanned emergency and ongoing need must be tendered
- Only one supplier – all potential suppliers not just local suppliers
- A short term additional need arises which relates to an existing contract award; but extended work with contractors must be avoided and significant ongoing additional needs must be tendered

Shetland UHI Finance Policy Handbook

9.2 Only the Senior Finance Officer can consider any proposal to award a contract without competition and will escalate consideration to the CEO, Finance and General Purposes Committee or Board of Management as per the delegated authority schedule.

9.3 In all cases the guiding principles are that NCA approval is by someone other than the Budget Holder who will undertake the procurement to ensure adequate separation of duties. The NCA justification and approval must be formally recorded.

10. Legal Obligations

10.1 Shetland UHI attempts to ensure that, if a contractor breaches certain types of legislation, such as anti-discrimination and Health and Safety, it will have a contractual effect as well as being illegal. This is therefore a specific requirement of Shetland UHI's Conditions of Contract.

10.2 On no account should any member of staff procure goods or services on behalf of a non-affiliated organisation, using Shetland UHI systems and money.

11. Environmental Issues

11.1 These will affect each contract differently. Where possible, Shetland UHI will draw the bidder's attention to any areas of particular environmental concern relating to the product or service being sought. Credit will be given where bidders show that they have taken any detrimental impact on the environment into account and minimised it as far as possible.

12. EU Tendering

12.1 There are specific rules relating to the timetabling of EU Procurement exercises, depending on whether the Shetland UHI chosen procedure is "Open" or "Restricted", and whether the marketplace has been previously advised of the probable likelihood of the tender within the forthcoming year by issue of a Prior Indicative Notice (PIN).

12.2 The Shetland UHI preferred method is to use the "Restricted" procedure.

12.3 All suppliers who request tender documentation will be invited to submit a tender. There is no pre-qualification questionnaire or short listing stage prior to invitation to tender.

12.4 A two stage approach is adhered to in which Shetland UHI invites interested suppliers to undergo a pre-qualification assessment before a settled number of invitations to tender are issued.

13. Breach of Policy

13.1 Any breach or non-compliance with this policy must, on discovery, be reported to the Senior Finance Officer who may discuss the matter with the Shetland UHI Principal and/or other Shetland UHI Directors or the Finance & General Purposes Committee, as may be appropriate in order to determine the proper action to be taken.

Shetland UHI Finance Policy Handbook

14. Responsibilities

Finance and General Purposes Committee	<ul style="list-style-type: none">• Investigate and take appropriate action against breach of policy• Consider recommendations from the Senior Finance Officer on procurement exercises, tenders and non-competitive actions
Senior Finance Officer	<ul style="list-style-type: none">• Liaise with APUC on tendering• Develop and review plans for working effectively with local suppliers• Develop and create guidance and support to ensure all staff involved in procurement and tendering do so effectively.• Monitor and ensure good practice in procurement.• The management of records associated with procurement and purchasing• Arranging for the appropriate management of contracts
Senior Staff/staff	<ul style="list-style-type: none">• Staff with delegated authority will ensure:<ul style="list-style-type: none">• Compliance with tendering policy• Ensure ethical behaviour throughout procurement processes

Shetland UHI Finance Policy Handbook

Value for Money

Policy Summary

Sets out the approach of Shetland UHI to Value for Money:

- Value for Money Strategy
- Value for Money behaviours
- Audit Committee review

Relevant to

- Purchasing
- Sustainability

Links to

- Risk management

1. Purpose

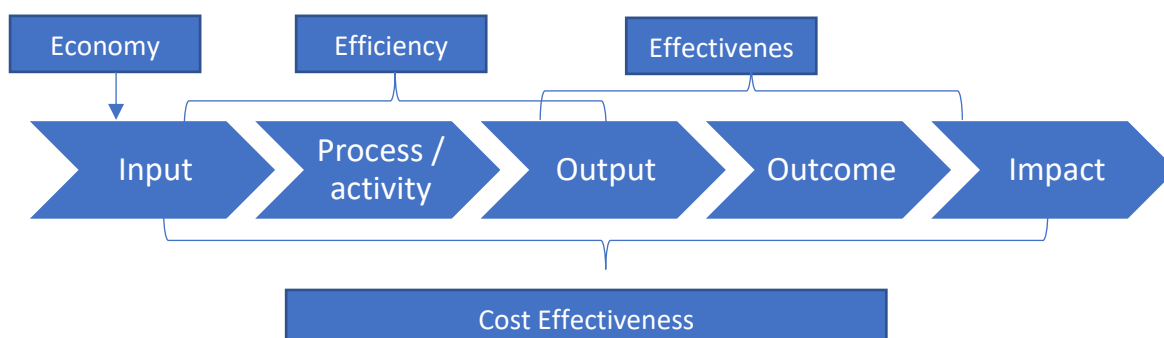
Shetland UHI recognises its responsibility to achieve value for money from all its activities, in whatever way they are funded and including resources gifted to Shetland UHI, relating to economy, efficiency and effectiveness in all its activities. We aim to maximise the impact of each pound spent to improve the student experience.

2. Scope

Shetland UHI will develop a Value for Money (VFM) strategy with review cycle, approved by the Audit Committee, identifying target areas of activity for VFM review, and promoting positive staff and student behaviours for VFM.

Value For Money refers to the use of resources in a way that maximises value – to Shetland UHI, our students and our stakeholders. Our resources are: our funds, assets (including courses, intellectual copyright, knowledge and expertise) and income-generation capacity (including staff time).

- Economy is purchasing the required specification and quality at the best price
- Efficiency is getting the required outputs from the goods or services
- Effectiveness is the wider outcomes and impacts those outputs contribute to – the ripple effect of benefits for Shetland UHI, students and stakeholders as a whole.
- Cost effective is an assessment of how much impact is achieved relative to the inputs



Shetland UHI Finance Policy Handbook

3. Policy

The Value for Money Strategy will introduce cycles of VFM analysis in key areas of Shetland UHI activity, which may include:

- Reviews of how key resources are used and the benefits achieved for Shetland UHI, our students and stakeholders
- Prioritisation of spend and investment based on expected results and impact to deliver t Shetland UHI's vision
- Improving understanding across Shetland UHI of cost *and* measurement of results and impact
- Benchmarking activity and expenditure against other relevant organisations
- Spend to Save proposals for investments enabling Shetland UHI to make long term savings, or more effective use of resources, or improve the benefit/cost ratio
- Regular focus on specific areas of expenditure, e.g:
 - Utilities purchasing, usage and solutions
 - Vehicle / boat maintenance, usage and solutions
 - Property maintenance, usage and solutions
- Initiatives focusing on behavioural change to improve VFM e.g:
 - Energy saving behaviours
 - Effective management of waste, recycling, disposal of surplus items
 - Travel options
 - Shared purchasing/equipment between sections/departments or other organisations

4. Responsibility

Audit Committee	<ul style="list-style-type: none">• The Audit Committee is required to satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness. The committee is required to relay its view on the arrangements to the Board in its annual report.
Senior Finance Officer	<ul style="list-style-type: none">• Development and maintenance of a VFM Strategy and cyclical review• Delivering and monitoring the strategy• Reporting to the CEO and Audit Committee
All staff	<ul style="list-style-type: none">• Positive and proactive behaviours to achieve VFM• Participation in the programme of work set out by the VFM Strategy

Student Finance

Shetland UHI Finance Policy Handbook

Tuition Fees: instalments, refunds and withdrawal

Policy Summary

Sets out the approach of Shetland UHI to student tuition fees:

- Tuition fee payment
- Fee instalments
- Refund and withdrawal

Relevant to

- UHI Student support funds policy
- UHI Fee waiver policy

Links to

- Risk management

1. Purpose

To provide a standard and consistent approach to Student Tuition Fee procedure

2. Scope

The Tuition Fee Policy covers payments, instalments, refunds and withdrawals. It should be used in conjunction with UHI Fee Waiver and UHI Student Support Fund policies.

3. Policy

3.1 Fees

The level and structure of Shetland UHI tuition fees and charges, together with all discretionary fee waivers and refund policies must be approved by the Board of Management following detailed consideration by Finance & General Purposes Committee.

3.2 Fee payment

- Students are required to pay their course fees or confirm application for funding at the time of registration, unless agreed otherwise by the Senior Finance Officer or the Principal.
- Shetland UHI operates an Instalment Plan, which can be applied to students if they, at the time of registration, have difficulty meeting the full cost of fees or whenever a student falls into arrears with their payment (refer to the Tuition Fee and Instalment Policy for guidance).
- HE students applying for registration with SAAS should do so preferably prior to Shetland UHI induction, but no later than 7th December each year.

3.2 Instalment plans

- The option to pay by instalments is only available where all of the following criteria are met:
 - The course fees due for the current year are greater than £250. This includes the situation when a student enrolls for more than one course and the total course fees are greater than £250 (and at least one of the courses lasts more than one term).
 - The student completes a direct debit mandate and acknowledgement of debt form
 - The student arranges payment terms within 2 weeks of the course commencement.

Shetland UHI Finance Policy Handbook

- Where these conditions are met, the course fees can be paid as follows:

Total Course Fees Due	Number of Instalments
Between £250 - £750	3
Between £751 - £1250	4
Above £1251	5

- The instalments will be paid each month on a date determined by Shetland UHI and notified to the student when completing the direct debit mandate (normally the 1st or 15th of each month).

3.3 Non-SFC/SAAS Class Payment by Instalments

- Evening class, summer class or other courses not eligible for tuition fee support costing £125 or more can be paid by monthly instalments, but not for courses running less than 12 weeks in duration.
- An initial 30% deposit should be paid and instalments will only be accepted by direct debit arrangements.

Total Course Fees Due	Duration (weeks)	Number of Instalments
Between £125 - £250	12	2
Between £251 - £750	12	3
Above £750	12	3

3.4 Changes to instalment plans

- Once a student has made instalment arrangements, Shetland UHI will not normally consider changes to these details unless there are exceptional circumstances. These changes will be dealt with through the appeals procedure. Any change to Shetland UHI Instalment Policy would be considered exceptional for these purposes.
- See also Student Debt Management Policy for students struggling to pay.

3.5 Refunds and withdrawals policy

- Shetland UHI must ensure that the policy for refunds and withdrawals represents fair and reasonable consideration towards students whilst simultaneously protecting Shetland UHI from financial loss.
- Refunds of course fees are granted only where either Shetland UHI cancels the course or where the student withdraws from the course in exceptional circumstances. In a case where a student withdraws prior to making payment, the amount due should be calculated so that it will equal the non-refunded element of the fee had a refund been due.
- Refunds are not granted where a student remains on a course but claims a refund on the basis of a change of circumstances.
- This policy does not apply to fees paid by the Student Awards Agency Scotland as these refunds are covered under specific terms and conditions. This policy covers fees paid from Shetland UHI's Bursary Fund.

Shetland UHI Finance Policy Handbook

4. Refunds

- Tuition fee refunds can only be made in response to a written request for exceptional circumstances.
- Non exceptional circumstances include:
 - Course cancelled by Shetland UHI – full refund
 - Student withdrawal four weeks prior to start date – full refund less administration fee of £100 and any non-refundable costs (e.g. SQA fees)

5. Withdrawals

A letter must be submitted by the student outlining exceptional circumstances (ill health, employer relocation, course not as described in prospectus etc)

Date of commencement	Withdrawal / termination of study date	Refund policy
Courses commencing August/September	Before 1 st November	100% refund on full year's fees or pro-rata equivalent, less administration fee of £100 and any non-refundable costs (e.g. SQA fees)
	Between 1 st November and 1 st February	50% refund on full year's fees or pro-rata equivalent, less administration fee of £100 and any non-refundable costs (e.g. SQA fees)
	After 1 st February	No refund
Courses commencing other dates	Within 8 weeks of the course commencement (excluding non-teaching weeks)	100% refund on full year's fees or pro-rata equivalent, less administration fee of £100 and any non-refundable costs (e.g. SQA fees)
	Between 8 and 12 weeks of the course commencement (excluding non-teaching weeks)	50% refund on full year's fees or pro-rata equivalent, less administration fee of £100 and any non-refundable costs (e.g. SQA fees)
	After 12 weeks of course commencement (excluding non-teaching weeks)	No refund

Amount of course elapsed	Refund policy
Up to 25% of course/module or unit load	100% refund on full year's fees or pro-rata equivalent, less administration fee of £100 and any non-refundable costs (e.g. SQA fees)
Up to 50% of course/module or unit load	50% refund on full year's fees or pro-rata equivalent, less administration fee of £100 and any non-refundable costs (e.g. SQA fees)
More than 50% of course/module or unit load	No refund

Shetland UHI Finance Policy Handbook

Circumstances	Refund policy
Where a student withdraws from a course prior to paying the fees due	Invoice for the relevant fees as above
Where a student has paid the course fees and does not turn up	No refund
Student remains on a course but claims refund on the basis of changed circumstances (i.e. student becomes potentially eligible for a fee waiver)	No refund, but student can use appeals policy

6. Processing of refunds

Refunds will be issued within 14 working days of the decision to refund.

7. Discretionary refunds

The Principal or the Chair of the Finance and General Purposes Committee may over-ride the refund policy and make a refund in exceptional circumstances.

8. Appeals

- If a student wishes to appeal against a refund policy decision, he/she should do so, in writing to the Senior Finance Officer. A committee, comprising of **the Senior Finance Officer and Head of Curriculum or other appropriate senior manager**, will hear all appeals. The Senior Finance Officer will formally notify the student of their decision within five working days of the appeal being heard.
- If the student is still not satisfied, then he/she can appeal directly to the Principal whose decision will be final.

9. Scholarships and awards

- The terms of any scholarships and awards covering student fee payment or any other cost of studies will be contracted on an individual basis with the scholarship provider and Shetland UHI in advance of any award being made, with due regard for Shetland UHI policy on fees and refunds.
- The agreed terms will then be contracted with the award recipient.

10. Responsibility

Finance and General Purposes Committee	<ul style="list-style-type: none"> • (Chair) to make final decisions on fees and refunds when required
Principal	<ul style="list-style-type: none"> • To make final decisions on fees and refunds when required
Senior Finance Officer	<ul style="list-style-type: none"> • To oversee consistent application of this policy • To hear appeals regarding fees and refunds when required, with the Head of Curriculum or other appropriate senior manager
Student support staff	<ul style="list-style-type: none"> • To ensure students are aware of the policy via reception staff or other Shetland UHI staff when applying for courses and making payments • To support students to write letters or appeals in relation to fees and refunds • To share – with student consent – information on student circumstances to support decision making when necessary

Shetland UHI Finance Policy Handbook

	<ul style="list-style-type: none">• Notification to student support staff, of student non-attendance, withdrawal, hardship or other relevant circumstances relating to fees and refunds.
All staff	<ul style="list-style-type: none">• Positive and proactive support to students to understand the fee and refund policies• Notification to student support staff, of student non-attendance, withdrawal, hardship or other relevant circumstances relating to fees and refunds.

Shetland UHI Finance Policy Handbook

<UHI logo>

Shetland UHI,

University of the Highlands and Islands

Further Education Fee Waiver Policy

UHI Further Education Fee Waiver Policy

Policy Summary

Sets out the approach of UHI partner Institutes to Further Education fee waivers:

- SFC fee waivers
- Other discretionary fee waivers
- Refund and withdrawal

Relevant to

- UHI Student support funds policy
- Tuition fees, refunds and withdrawal policy

Links to

- Risk management

This policy covers the 2019-20 academic year. For all our up-to-date policies, please visit our website.

Accessible versions of this policy are available upon request.

Policy Summary

Overview	This policy is required to set out a regional approach to Further Education Fee Waivers for Shetland UHI and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the awarding of Scottish Funding Council and discretionary fee waivers for further education courses.
Scope	This policy applies to all academic partners who run further education courses.
Consultation	This policy was developed by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from the Finance Directors Practitioner Group and Partnership Council, before the policy went through local consultation and approval by Institute Boards of Management.
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	The policy reduces risk for the University and academic partners by creating a streamlined process and a community of practice for staff. Students will also benefit from a consistent approach across all partners.
Link with Strategy	

Shetland UHI Finance Policy Handbook

Impact Assessment	Equality Impact Assessment: Assessed – No further action to be taken.
	Privacy Impact Assessment: n/a

1. Policy Statement

1.1 This document sets out the policy for the awarding of Further Education fee waivers Shetland UHI, University of the Highlands and Islands. This policy refers to Scottish Funding Council policy and guidelines on fee waivers, which is reviewed annually. A position is also set out for the awarding of discretionary fee waivers from an Institute's individual budget.

2. Definitions

2.1 Scottish Funding Council ("SFC") - SFC is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's Institutes and universities. SFC gives funding to Institutes and universities with guidance on how the funds should be distributed to students.

3. Purpose

3.1 This policy sets out a robust and transparent framework for the awarding Further Education course fee waivers at Shetland UHI.

3.2 The policy will create an equality of experience for students across the partnership, whilst allowing individual Institutes the flexibility to respond to local needs.

3.3 SFC Funded Fee Waivers The core of this policy is based on the SFC Guidance on Fee Waiver Grant Policy and any associated annexes and appendices. The current SFC Guidance can be accessed here. The majority of fee waivers will be funded by SFC.

3.4 Discretionary Fee Waivers Students attending the University of the Highlands and Islands will have a parity of experience through the use of SFC Fee Waivers. Under exceptional circumstances and subject to individual budgets, Institutes have the power to award discretionary fee waivers.

3.4.1 Categories of Discretionary Fee Waivers include but are not limited to:

- Staff development, where a course is an essential part of an approved staff development plan
- Additional academic requirements, where the Institute stipulates compulsory completion of an additional qualification as part of the main course
- Exceptional requirements, where Institute Senior Management identify a significant local benefit to use of Discretionary Fee Waivers

3.4.2 Institutes should endeavour to create parity of experiences for students across the region through their use of discretionary fee waivers.

3.4.3 Due consideration should be given to the impact of discretionary fee waiver usage on other Institutes in the University of the Highlands and Islands partnership.

Shetland UHI Finance Policy Handbook

4. Scope

4.1 This Policy applies to all applicants for further education courses (full-time and part-time), except for the courses set out in Section 5 below.

4.2 Applicants for higher education courses should refer to the Higher Education Fees Policy. Higher education courses are normally Level 7 and above on the SCQF Framework.

5. Exceptions

5.1 Courses outwith the scope of this policy are:

- All leisure courses
- All commercial courses
- SVQ courses

5.2 Please refer to the accompanying Fee Waiver Procedures for further information and an eligibility flowchart.

6. Notification

6.1 Staff engaging with Fee Waivers should be familiar with this policy and all relevant SFC policies.

6.2 Annual changes to SFC policies will be cascaded to staff by line managers and hyperlinks in the policy updated to reflect the most recent guidance.

6.3 Any changes in SFC policy or national legislation will be reflected in this policy.

6.4 The policy will be publicly available on the Institute's website, along with other current policies.

7. Roles and Responsibilities

7.1 The Institute's most senior Financial Officer has overall responsibility for the implementation of this policy and the management of Fee Waivers, including the approval of Discretionary Fee Waivers.

7.2 Staff administering Fee Waivers are responsible for ensuring up-to-date SFC guidance is followed.

7.3 Awarding of Discretionary Fee Waivers will be recorded and reported on annually to the Finance Directors Practitioner Group.

8. Legislative Framework Further and Higher Education (Scotland) Act 2005

Equality Act 2010

Scottish Government: Costs of Learning Student Funding Guide

9. Related Policies, Procedures, Guidelines and Other Resources

9.1 This policy should be read in conjunction with SFC Fee Waiver policies and guidance. The up-to-date information can be accessed [here](#).

9.2 University of the Highlands and Islands Further Education Fee Waiver Procedures

9.3 University of the Highlands and Islands Further Education Student Funding Support Policy

9.4 Institute Access and Inclusion Strategy

Shetland UHI Finance Policy Handbook

Shetland UHI Finance Policy Handbook

<UHI logo>

Shetland UHI,

University of the Highlands and Islands

Student Support Funds Policy

Policy Summary

Sets out the approach of UHI partner Institutes to Student Support Funds:

- Assessing student support needs
- Distributing student support funds

Relevant to

- UHI Fee waiver policy
- Tuition fees, refunds and withdrawal policy

Links to

- Risk management

Policy Summary

Overview	This policy is required to set out a regional approach to distribution of student support funds for Shetland Institute UHI and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the awarding of student support funds.
Scope	This policy applies to all academic partners.
Consultation	This policy was formulated by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from Partnership Council, before the policy went through local consultation and approval by Institute Boards of Management and Finance and General Purpose Committee.
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	The policy reduces risk for the University and academic partners by creating a streamlined process and reinforcing the existing staff community of practice. Students will also benefit from a consistent approach across all partners.
Link with Strategy	This policy is linked to individual Access and Inclusion strategies and the Regional Outcome Agreement.
Impact Assessment	Equality Impact Assessment: Assessed – No further action required. Privacy Impact Assessment: n/a

Shetland UHI Finance Policy Handbook

1. Policy Statement

1.1 The purpose of this policy is to outline the principles underpinning the Institute's process of assessing and distributing Student Support Funds. The overarching aim of this policy is to ensure that as many eligible students as possible have access to funds within allocated budgets.

1.2 Funds are distributed in compliance with the funding regulations as determined by the Scottish Funding Council and Student Awards Agency Scotland. Where discretion is given to the Institute to determine eligibility, this policy specifies the rationale applied.

2. Definitions

2.1 Scottish Funding Council ("SFC") - SFC is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's Institutes and universities. SFC gives funding to Institutes and universities with guidance on how the funds should be distributed to students.

2.2 Student Awards Agency Scotland ("SAAS") – SAAS is an agency of the Scottish Government giving financial support to eligible students doing a course of higher education in the UK. SAAS provides the University of the Highlands and Islands with funds and guidance for distribution of the Higher Education Discretionary Fund.

2.3 For the purposes of this policy, the following terms will be used:

2.3.1 The Further Education Bursary will be referred to as the "Bursary Fund".

2.3.2 The Educational Maintenance Allowance will be referred to as the "EMA".

2.3.3 The Institute and University Childcare Funds will be referred to the "Childcare Funds".

2.3.4 The Further Education Discretionary Fund will be referred to as the "FE Discretionary Fund".

2.3.5 The Higher Education Discretionary Fund will be referred to the "HE Discretionary Fund".

2.4 Further Education courses are normally up to and including Level 6 on the SCQF Framework. Higher Education courses are normally Level 7 and above.

3. Purpose

3.1 The Institute will utilise the current guidance to ensure fair distribution of the Student Support Funds.

3.2 The Institute aims to distribute Student Support Funds within the conditions of the respective national policies in a fair and consistent manner to assist students who demonstrate financial need. The Institute undertakes to maximise the use of available funds to ensure as many students as possible benefit through the qualifying criteria.

3.3 Bursary Fund

3.3.1 As defined in the current SFC guidelines, available here, the Bursary Fund may be offered where the student and their course meets eligibility criteria. There is no automatic entitlement to the Bursary Fund, even where eligibility is established.

3.3.2 The Bursary Fund constitutes the following:

Shetland UHI Finance Policy Handbook

- Maintenance Allowance
- Dependant Allowance
- Study Expense Allowance
- Travel Expense Allowance
- Additional Support Needs for Learning Allowance

3.3.3 Maintenance Allowance

The Institute follows the SFC guidance for this element.

3.3.4 Dependant Allowance

The Institute follows the SFC guidance for this element.

3.3.5 Study Expense Allowance

The Institute follows the SFC guidance for this element.

3.3.6 Travel Expense Allowance

The Institute will determine the most appropriate and cost-effective route or mode of transport for Travel Expense Allowance. - Travel expenses will only be paid for students residing 3 miles or more from the Institute.

3.3.7 Additional Support Needs for Learning Allowance

The Institute follows the SFC guidance for this element.

3.3.8 The attendance criteria for the Bursary Fund is based on the current SFC guidance. Where the guidance calls for institutional discretion to be applied, the process to be followed is agreed regionally and is available in the Attendance Appendix.

3.4 EMA

As defined in the current SFC guidelines, available here, the EMA provides a weekly term time allowance for students normally aged 16-19 years old inclusive from low income households who are studying non-advanced courses.

3.4.1 The Institute follows the current SFC guidance.

3.4.2 The attendance criteria for EMA is based on the current SFC guidance. Where the guidance calls for institutional discretion to be applied, the process to be followed is agreed regionally and is available in the Attendance Appendix.

3.5 Childcare Funds (Further and Higher Education)

As defined in the current national policy and guidelines, available here, Childcare Funds consist of two elements to help pay for formal or registered childcare expenses: the Lone Parents Childcare Grant and the Discretionary Childcare Funds.

3.5.1 The Institute follows the current national policy and guidelines for Childcare Funds.

3.5.2 The Institute may identify certain groups as priority for allocation of the Discretionary Childcare Funds element, based on assessment of need.

3.6 FE Discretionary Fund

Shetland UHI Finance Policy Handbook

As defined in the current SFC guidelines, the FE Discretionary Fund is “primarily for emergency use and instances of financial hardship”.

3.6.1 The Institute follows the current guidance, available above.

3.6.2 The Institute distributes FE Discretionary Funds within allocated budgets in response to student need and circumstances.

3.6.3 The FE Discretionary Fund has priority areas for including, but not limited to: - Housing and accommodation costs - Emergency aid for unforeseen and unmanageable circumstances - Students at risk of financial hardship due to substantially higher-than-average utility costs

3.7 HE Discretionary Fund

As defined in the current SAAS guidelines, the HE Discretionary Fund is intended to “provide nonrepayable assistance for students in financial difficulties in order for them to access and/or continue in Higher Education”.

3.7.1 Shetland Institute UHI follows the current guidance, available above.

3.7.2 The Institute distributes HE Discretionary Funds within allocated budgets in response to student need and circumstances.

3.7.3 The HE Discretionary Fund has priority areas for including, but not limited to: - Housing and accommodation costs - Students experiencing excessive travel costs, e.g. where the journey is greater than a reasonable commute - Childcare costs for part-time HE courses - Emergency aid for unforeseen and unmanageable circumstances - Students at risk of financial hardship due to substantially higher-than-average utility costs

3.8 Supporting Evidence

3.8.1 Students applying for financial support are required to produce documentary evidence in support of their application before an award can be considered.

3.8.2 Exception may be made for care experienced students who may encounter difficulty in providing documentation in support of their application, which could create or exacerbate financial hardship. In this case, confirmation of the student’s circumstances from a third party agency such as the local authority Social Work department will be accepted in place of the normal supporting documentation.

3.9 Eligibility

3.9.1 Eligibility criteria are in line with the relevant guidance/policy for each fund.

3.9.2 In addition, all applicants for student financial support will be checked for any outstanding debt to the Institute. Students with outstanding debt will be required to enter into a repayment agreement before additional funds will be released.

3.9.3 Where a student’s experiences an unforeseeable or unavoidable change to their circumstances during an academic year, the Institute may re-assess the student as appropriate.

Shetland UHI Finance Policy Handbook

3.10 Appeals and Grievances

3.10.1 Students are entitled to raise grievances related to the application of this policy and awarding of student support funds.

3.10.2 In the first instance, students should raise their grievance with Institute staff responsible for student support funds administration.

3.10.3 Should this not resolve the grievance, the student will be able to escalate the issue by means of an impartial review.

3.10.4 Further information is available in the accompanying Student Support Funds Procedures.

4. Scope

4.1 Financial support may only be offered if both the student and their course are eligible for support.

5. Exceptions

5.1 The policy identifies areas of discretion for Institutes, and sets out priority areas for support. Ultimate authority for awarding of discretionary funds rests with the Institute, and decisions will be made in line with the policy and/or guidelines issued by SFC or SAAS.

5.2 As per the Education (Access Funds) (Scotland) Determination there are different arrangements for students living in the local authority areas of Orkney Islands and Shetland Islands. These students should contact the Institute at which they intend to study for further information.

6. Notification

6.1 Staff members engaging with Student Support Funds should be familiar with this policy and all relevant SFC/SAAS policies.

6.2 Annual changes to SFC/SAAS policies will be cascaded to staff by line managers and hyperlinks in the policy updated to reflect the most recent guidance.

6.3 Any changes in SFC/SAAS policy or national legislation will be reflected in this policy.

6.4 The policy will be publicly available on the Institute's website, along with other current policies.

7. Roles and Responsibilities

7.1 The Head of Student Support has overall responsibility for the implementation of this policy and the management of Student Support Funds

7.2 The Head of Student Support is responsible for the approval of FE Discretionary Funds and HE Discretionary Funds.

7.3 The staff administering Student Support Funds are responsible for ensuring up-to-date local policies and SFC/SAAS guidance is followed.

7.4 The Bursary Officer is responsible for ensuring that all enrolled students receiving EMA support have a signed Learning Agreement.

Shetland UHI Finance Policy Handbook

7.5 All Lecturers are responsible for ensuring that student attendance information is passed to the SITS office for recording on the Institute SITS system to satisfy the conditions of the Bursary or EMA award.

7.6 Students are responsible for informing the Institute of changes to their circumstances, including voluntary withdrawal from a course.

8. Related Policies, Procedures, Guidelines and Other Resources

8.1 This policy should be read in conjunction with SFC and SAAS policies and guidance. Links are provided above in Section 3.

8.2 Student Support Funds Procedures.

8.3 Further Education Fee Waiver Policy.

8.4 Scottish Funding Council (SFC) website

8.5 Student Awards Agency Scotland (SAAS) website

Shetland UHI Finance Policy Handbook

Student Debt Management

Policy Summary

Sets out the approach to student debt management.

Relevant to

- Debt Management Policy
- Delegated Authority
- Tuition fees, refunds and withdrawal policy

Links to

- Risk management

1. Purpose

This policy ensures that all staff apply a consistent approach to students and to companies paying for training/learning opportunities. Shetland UHI aims to be fair, transparent and accessible.

2. Scope

This policy applies to all learners: learners whose courses are paid for by companies (or other third party organisations); and private individuals.

3. Policy

3.1 Companies

- Companies are required to pay for a service in advance of the service commencing, or at an agreed interval if authorised by the Senior Finance Officer.
- An instalment plan may be offered in exceptional circumstances after consideration and approval by the Senior Finance Officer.

3.2 Individuals

- Students are required to pay their course fees or confirm application for funding at the time of registration, unless agreed otherwise by the Senior Finance Officer or the Principal.
- Shetland UHI operates an Instalment Plan, which can be applied to students if they, at the time of registration, have difficulty meeting the full cost of fees or whenever a student falls into arrears with their payment (refer to the Tuition Fee and Instalment Policy for guidance).
- HE students applying for registration with SAAS should do so preferably prior to Shetland UHI induction, but no later than 7th December each year.

3.3 Failure to Adhere to Instalment Arrangements

- If a student makes arrangements to pay by instalments and then fails to do so, Shetland UHI will require the student to immediately pay the full amount outstanding. Once any initial instalment arrangement has been breached, the student will not be permitted to re-arrange further instalments.

Shetland UHI Finance Policy Handbook

3.4 Debt recovery

This policy also incorporates the procedure for recovery of Bursary overpayments.

- All students struggling to pay fees or struggling to repay overpaid bursaries should be referred to the Guidance Officer and to HISA Officer for further support.
- Students with wider ranging financial issues should be encouraged and supported to attend Citizens Advice Shetland for further support.
- Shetland UHI may set low instalments or defer instalments to assist students in financial difficulty, at the discretion of the Senior Finance Officer, who will follow Shetland UHI's Debt Policy with regards to recovery and debt write-off, in consultation with the Head of Student Support.

4. Responsibilities

Principal	<ul style="list-style-type: none">• To make final decisions on debt management when required
Senior Finance Officer	<ul style="list-style-type: none">• To oversee consistent application of this policy• To make provision for debt management in consultation with student support staff
Student support staff	<ul style="list-style-type: none">• To ensure students are aware of the policy via reception staff or other Shetland UHI staff when applying for courses and making payments• To support students to manage financial commitments• To refer students for additional support when necessary.
All staff	<ul style="list-style-type: none">• Positive and proactive support to students to understand the fee and instalment policies• Notification to student support staff, of student hardship or other relevant circumstances relating to fees and instalments.

Staff Finance

Shetland UHI Finance Policy Handbook

Staff and Student Travel and Expenses

Policy Summary

Sets out the approach to staff travel and expenses.

Relevant to

- Financial procedures
- Driving at Work Policy

Links to

- Health & Safety at Work
- Risk management

1. Purpose

The purpose of this policy is to set out the procedures that must be followed when making business travel arrangements and claiming for expenses that have been incurred in connection with Shetland UHI business.

The policy also outlines Shetland UHI's expectations in relation to:

- Avoidance of unnecessary travel costs in keeping with value for money and our commitment to sustainability
- Travellers' responsibilities

2. Scope

2.1 Travel, accommodation and other expenses eligible for claims:

- All employees of Shetland UHI and Directors on the Board of Management.
- Students of Shetland UHI where the travel is for academic (learning and/or research) purposes and where travel is organised by the student in pursuance of a study programme;
- Other representatives of Shetland UHI (eg visitors, contractors or visiting academics) where the travel is directly related to academic (learning and/or research) purposes and authorised by Shetland UHI.

2.2 Definitions

- This policy uses the term 'travellers' to cover those covered by the policy.
- For the purposes of this Policy, business travel is a journey necessarily undertaken by an employee to carry out his/her duties for Shetland UHI, or to attend training courses or conferences necessary for the performance of those duties.
- Business travel includes travel for the purposes of consultancy on behalf of Shetland UHI.
- Travel between the permanent workplace and a temporary workplace or travel between home and a temporary workplace are considered business journeys.
- Business travel does not include:

Shetland UHI Finance Policy Handbook

- A personal holiday which is linked to a business journey. Employees should consult with their line manager about such journeys in good time before commencing the journey. Private insurance will be required to cover the private part of the journey.
- Travel for the purposes of Independent Consultancy or any other private work for which the employee is directly remunerated by their client, including attending other institutions as an external examiner or visiting lecturer.
- Travel between your home and usual place of work or for travel which is for your own purposes. Journeys starting or ending from home to a destination other than your usual place of work may be claimed if shorter than if the journey was undertaken from your usual place of work.
- Travel by students that falls under the scope of this policy includes:
 - Travel in connection with research activities being undertaken on behalf of Shetland UHI or, in connection with a taught or research degree programmes in association with Shetland UHI.
 - Fieldtrips in connection with taught programmes or research degree programmes. International study abroad programme. International work placements.
 - Where students are representing Shetland UHI in an official capacity or as part of a recognised event such as a fund-raising or sporting activity.
- Student eligible travel includes:
 - Travel in connection with research activities being undertaken on behalf of Shetland UHI, or in connection with a taught or research degree programmes in association with Shetland UHI.
 - Where students are representing Shetland UHI in an official capacity or as part of a recognised event such as a fund-raising or sporting activity.
 - Compulsory fieldtrips in connection with taught programmes or research degree programmes.
 - International study abroad programme where travel is agreed by the funder.
 - International work placements where travel is agreed by the funder or sponsor.
- Student eligible travel does not include:
 - Travel which is not connected with any Shetland UHI activity – for example, as part of a leisure activity not organised by Shetland UHI or to undertake work experience not linked to a taught programme such as work undertaken during vacations

3. Policy

3.1 The key objectives of this policy are:

- To set out Shetland UHI's policy relating to business travel and expenses and clearly state the types of expenditure that can and cannot be reimbursed,
- To ensure reasonable standards of service, comfort, convenience and safety for those who need to travel on Shetland UHI business whilst achieving best value for money,
- To ensure that Shetland UHI complies with the requirements of the HMRC rules and requirements for tax dispensation,
- To define the process for claiming necessary expenses.

Shetland UHI Finance Policy Handbook

Provided that the procedures set out within this policy are followed, no additional tax or National Insurance Contribution liability will arise and staff need not report details of expenses reimbursed within their tax returns.

3.2 Sustainability

It is accepted that staff travel is an essential part of Shetland UHI business, however, Shetland UHI is also committed to reducing the impact we have on the environment through the CO₂ emissions we produce. Shetland UHI's Environment and Sustainability Policy outlines our commitment to encouraging alternative methods of transport to single occupancy car journeys and reducing flights.

Our sustainable travel framework encourages staff and students to travel with the least possible environmental impact:



Travel considerations and planning should start with the most carbon neutral option, using the least carbon-friendly options only when cost or operational efficiency requires this.

4. Travel expenses

4.1 General

- If you are attending a meeting as a Shetland UHI representative, Shetland UHI will reimburse expenses incurred, subject to the terms of this policy.
- If you are attending a meeting at the request of, or as a representative of another professional body, association or institution Shetland UHI may require that such costs should be claimed directly from that professional body, association, or institution and not from Shetland UHI.
- **When requesting and booking travel, consideration should be given to “total trip price” accounting for additional accommodation and auxiliary transport which may be needed to enable different travel methods, and the additional staff time required for some methods.**
- Travel expenses claims must be supported by itemised receipts where appropriate and should be claimed as soon as possible on return to work.

4.2 Travel Outwith Shetland (UK and overseas)

- All travel for business purposes must be agreed by the Senior Finance Officer in advance.
- All journeys outwith Shetland whether by air or sea must be booked in advance by a member of Central Support Services staff.
- Booking as far in advance of travel as possible helps to take advantage of cheaper fares. Shetland UHI will cover the least expensive available cost for the minimum period of time. Any additional costs incurred due to an employee choosing to stay away for a period additional to that required to attend a meeting/conference/training will not be covered by Shetland UHI.
- Non-UK travel requests by the Principal must be approved by the Chair or Vice Chair of the Board of Management.

Shetland UHI Finance Policy Handbook

- Where travel and/or accommodation costs can be re-imbursed by a third party, staff must provide written evidence of this at the time of their travel request.
- All travel methods must be considered. Staff booking travel must be able to show evidence they have chosen the most cost effective method.

4.3 Sea Travel

- Shetland UHI will pay for a standard inside cabin. **Exclusive use will be paid only when this is the only cabin option available.**
- The cost of taking a vehicle by ferry will only be paid by Shetland UHI if the overall cost of the ferry fare and mileage claim will be less than the overall cost of ferry or air travel and train/bus/car hire.

4.4 Air Travel

- Shetland UHI will pay for the least expensive flights available
- All employees will travel economy class.
- All requests involving air travel should be submitted as far in advance as possible in order to secure the best price available.
- Non-refundable flights will be booked as the cheapest option. If there is a strong business case for a flexible ticket to be booked this must be specified on the travel request and authorised in advance by the Senior Finance Officer.
- Any requests to change travel and accommodation which has already been booked must be authorised by the Senior Finance Officer.

4.5 Travel to/from Local Airport

- Mileage can be claimed for travelling to and from the local airport (drop off and pick up) provided this is cheaper than the standard taxi fare and where bus travel is not efficient.
- A taxi fare can only be claimed in exceptional circumstances and must be agreed in advance by the relevant Head of Section.
- At the end destination Staff are expected to use the cheapest mode of safe transport available to their ultimate destination.
- Staff travelling by air are expected to use the airport bus service, when this is efficient to do so.

4.6 Hire Cars

- A hire car should only be used where it is more cost effective than using your own car or public transport.

4.7 Rail Travel

- You may claim for standard class rail fares only.
- All requests for rail travel should be submitted as far in advance as possible in order to secure the best price available.
- **Colleagues/students in possession of a travel pass or other concession card will be expected to use this to achieve any available discounts.**
- Shetland UHI **will pay the discounted price.**

4.8 Taxi Fares

- **Taxi travel is regarded as exceptional, where efficiency, safety, disability and lack of other available transport are key considerations.**
- **Taxi receipts must be provided.**

Shetland UHI Finance Policy Handbook

- When taxis are essential, taxi-sharing (e.g. with colleagues from other institutions) is encouraged.

4.9 Bus Travel

- Colleagues/students in possession of a travel pass or other concession card will be expected to use this to achieve any available discounts.
- Shetland UHI will pay the discounted price.

4.10 Travel by Privately Owned Car

- Please refer to information on 'Driving at Work Policy'.
- Mileage will only be reimbursed for staff who have submitted a copy of their car insurance showing the claimant's vehicle is insured for business use.
- Car sharing is encouraged. Multiple staff travelling to the same destination for an event will be asked to justify why solo use of a car is required.

5. Accommodation and subsistence

5.1 Overnight Accommodation

- For staff required to stay away overnight a bed, breakfast and evening meal booking is preferred as any meals included in the overnight rate are not subject to HMRC benchmark scale rates.
- Shetland UHI may have accounts with accommodation providers. Where this is available this will be the preferred option. If this is not possible, then a budget hotel (Holiday Inn Express, Ibis, Motel One or similar) should be used. Air BnB or other budget and self-catering options, including accommodation-sharing where more than one member of staff requires accommodation, are supported by this policy.
- Rooms in excess of £90.00 per night (not including any meals) will only be booked in exceptional circumstances and only with the prior approval of the Senior Finance Officer.
- Staff who have booked and paid for their own accommodation will only be able to reclaim a maximum of £90.00 per night unless there are exceptional circumstances.
- Staff are encouraged to stay with friends or relatives where this is convenient for their travel needs. Staff may claim up to £10 for one night or £15 for multiple nights for a gift to their host, for which receipts must be provided in the claim.

5.2 Subsistence

- Staff will be reimbursed for all reasonable expenses, in line with HMRC benchmark scale rates, provided they are supported by fully itemised receipts and all qualifying conditions have been met.
- Where meals are not included in an overnight accommodation rate, subsistence rates claimable are as follows:
 - 5 hour rate - £5.00 per day where you have undertaken qualifying travel for a period of over 5 hours.
 - 10 hour rate - £10 per day where you have undertaken qualifying travel for a period of over 10 hours.
 - 15 hours (and ongoing at 8.00 pm) – £25 per day where you have undertaken qualifying travel for a period of over 15 hours and this is ongoing at 8.00 pm and an evening meal isn't included in any overnight accommodation rate.

Shetland UHI Finance Policy Handbook

- Where a scale rate of £5.00 or £10.00 is paid and the qualifying journey in respect of which it is paid lasts beyond 8.00 pm a supplementary rate of £10.00 can be paid to cover the additional expenses necessarily incurred as a result of working late. A meal is defined as a combination of food and drink.
- You can only be reimbursed for a meal once. If the cost of an evening meal or breakfast is included in your overnight accommodation rate, you will not be entitled to a benchmark rate in respect of those meals. The 15 hour rate will almost always apply where you are required to stay away overnight, provided the cost of any meals is not also included in your overnight accommodation rate.
- The benchmark rates are the maximum tax and NIC free amounts that can be reimbursed to you. The qualifying conditions are:
 - The travel must be in performance of your duties or to a temporary place of work, on a journey that is not substantially ordinary commuting;
 - You should be absent from your normal place of work or home for a continuous period of five or ten hours;
 - You should have incurred a cost on a meal (food and drink) after starting the journey and retained appropriate evidence of the expenditure.

6. Claims

- Advance booking made directly by delivery support staff will reduce the need for personal outlay of cash.
- Staff paying by personal credit card should expect reimbursement within the credit-card's interest-free period if their claim is made within ten working days before the end of this period. Staff should notify the claims processor of any due date. Interest on card purchases will not be paid unless there has been an administrative delay.
- Staff paying by personal cash payment should not be out of pocket for long periods and provided claims are made on return from travel, reimbursement will be made within five days.
- All claims should be made on the standard claim forms.
- Evidence of expenditure may include hard copy receipts, photographic or scanned receipts, but dates and details of the journey must be clear and legible if submitted in electronic form.
- Shetland UHI pays the recommended HMRC rates for travel and subsistence and these may be varied from time to time either up or down.

7. Imprests

- Students or staff may request a cash imprest or vouchers to support essential travel and subsistence where financial hardship would otherwise be caused by personal outlay for travel and subsistence.
- Any cash or vouchers provided will be signed for and receipts to the same value must be returned (or unused cash/vouchers returned).

Shetland UHI Finance Policy Handbook

8. Responsibilities

Principal	<ul style="list-style-type: none">• To make final decisions on travel approvals when required• To request approval for own overseas travel to the Chair of the Board
Senior Finance Officer	<ul style="list-style-type: none">• To oversee consistent application of this policy• To approve exceptional and overseas travel requests
Delivery Support Staff	<ul style="list-style-type: none">• To assist staff with travel arrangements to research and book the most cost-effective, carbon neutral travel options.• To process travel claims efficiently to reimburse staff.• To manage imprests when requested.
All staff	<ul style="list-style-type: none">• Positive and proactive efforts to undertake cost-effective and carbon neutral travel, including lift-sharing.• To plan in advance, as far as possible• To make accurate claims supported by the required evidence and clear statement of the business purpose of the claims

9. Useful Links

- UK Foreign Office <http://www.fco.gov.uk>
- European Health Card <http://www.gov.scot/Topics/Health/Services/Europe>
- HMRC website for information on tax <http://www.hmrc.gov.uk>
- Home Office – Identity and Passport Service <http://www.ips.gov.uk>
- The Health and Safety Executive (HSE) <http://www.hse.gov.uk>
- National Rail <http://www.thetrainline.com> www.gov.scot/Topics/Health/Services/Europe
- Route Planning <http://theaa.com>

Query: addition of travel insurance information

Shetland UHI Finance Policy Handbook

Salary Payments

Policy Summary

Sets out the approach to payment of staff

Relevant to

- Financial procedures
- (HR)

Links to

- Risk management

1. Purpose

This policy ensures all staff experience a fair and equitable approach to payment of salaries

2. Scope

- Applies to all permanent and temporary staff contracted to Shetland UHI.
- Casual staff or contractors may be subject to special payment terms agreed on their appointment. Shetland UHI will endeavour to pay casual staff and contractors promptly and within the same month of their contracted work, to their nominated bank account. No cash payments will be made.

3. Policy

3.1 Salary

- Salary payments are made directly to staff bank accounts on the last Friday of each month. Where the last Friday falls on a bank holiday, payment will be processed on the last banking day before that date.
- Salary advances are not normally made unless in exceptional circumstances to be approved by the **Senior Finance Officer**.
- Staff experiencing financial hardship are encouraged to see the staff welfare officer or their union representative for advice. If hardship impinges on performance of duties, line managers should consider practical solutions to enable the employee to perform their duties.

3.2 Method of payment

- Payment is made by bank transfer.
- It is the employee's responsibility to provide the correct bank details.
- The employee-nominated bank account may only be changed by the employee. Changes must be made at least five working days before the pay date.

3.3 Payments

- Salaries and expenses claims will be paid separately.

3.3 Joining period

- Staff joining the organisation less than five days before the pay date, will be paid at the next month's pay date.

Shetland UHI Finance Policy Handbook

- If hardship would arise due to being paid at the next month's pay date, staff may be provided with an advance to cover essential expenses (e.g. travel, childcare). The advance would be repaid by deduction from the next payment.

3.4 Leaving period

- Staff leaving within a month will receive the pay due for that month at the next pay date.

3.5 Changes to payment schedules

- Changes to proposed payment schedules (e.g. Christmas) will only be made by majority staff agreement and following discussion with staff representatives.

3.6 Payslips

- Payslips will be provided electronically to the employee's nominated email address.
- Provision of copy payslips to employees for verification to other bodies will be made on request.
- Payslips will itemise all payments and deductions, PAYE, NI and pension contributions.

3.7 Payment errors

- If a member of staff has been underpaid, the underpayment will be investigated and corrected within two working days. If hardship has occurred (e.g. the employee incurred penalties for missing essential personal payments) Shetland UHI will compensate by negotiating an agreed amount, on receipt of evidence.
- If a member of staff has been overpaid, it is the responsibility of the employee to advise Shetland UHI as soon as possible.
- Shetland UHI will seek to recover the amount overpaid. This may be done in agreed instalments each month. This deduction would be made direct from subsequent salary payments until the overpayment has been repaid. Instalments should be set at a rate that will not incur hardship.

3.8 Deductions

Union dues?

4. Responsibilities

Principal	<ul style="list-style-type: none">• To make final decisions on payment issues when required• To inform the Finance & General Purposes Committee as per delegated authority policy
Senior Finance Officer	<ul style="list-style-type: none">• To oversee consistent application of this policy• To approve action following payment errors or disputes
Delivery Support Staff	<ul style="list-style-type: none">• To assist staff with accurate payroll processing.• To respond to queries efficiently
All staff	<ul style="list-style-type: none">• To provide the correct information and to monitor their pay and payslip information is correct.

Shetland UHI Finance Policy Handbook

Seagoing Allowance

Policy Summary

Sets out the approach to payment of staff and TOIL for time spent at sea

Relevant to

- Financial procedures
- Time Off In Lieu
- (HR)

Links to

- Risk management

1. Purpose

- To ensure all staff required to spend additional hours at sea in furtherance of their duties are fairly compensated.

2. Scope

- The policy relates to all vessels, whether owned by Shetland UHI or another body.
- Time Off In Lieu (TOIL) may also be claimed.

3. Policy

3.1 Weekend working

- Vessels must only be used on a Saturday or Sunday in exceptional circumstances and only with the prior approval of the Head of Marine Science or the Principal.
- Reimbursement of TOIL can be considered and approved by the Head of Department for core funded activity or by the line manager/account holder when external project funding is available.

3.2 Eligible hours

- Staff required to work additional hours over normal contracted hours (due to steaming time or operating in an area where it is not possible to return home), additional hours will be calculated from time spent at sea which are eligible for a sea going allowance payment **in addition to time off in lieu** (TOIL).

3.3 Trips including an overnight stay

- When overnight stays aboard ships are required, regardless of type or class, then a payment of £75 per night will be paid.

3.4 Time without overnight at sea

- Toil accrued through working >48 hours through continuous day trips can be reimbursed as overtime at the discretion of the Head of Section (activities covered by core funding) or via approval of the account holder/project manager (activities for external project funding).

Shetland UHI Finance Policy Handbook

3.5 TOIL

Type of trip	Days	TOIL rate	Recovery of TOIL
Day trip over 8 hours up to 48hrs in week	Mon-Fri	1hr : 1hr	ASAP, in the same week
Day trip over 8 hours up to 48hrs preceding week	Sat/Sun	1hr : 1.5hr	ASAP, in the following week
Over 48 hours at sea in week	Mon-Sun	1hr : 1.5hr	ASAP, within four weeks
Overnight at sea (joining any time after 6pm)	Mon-Fri	No TOIL – overnight payment £75	ASAP
Overnights at sea: last day over 8 hours but not overnight	Mon-Fri	1hr : 1hr	ASAP

4. Claims

All claims must be made per calendar week and not per trip, and the allowance will be paid monthly with the salary.

5. Responsibilities

Senior Finance Officer	<ul style="list-style-type: none"> To oversee consistent application of this policy To assist staff to monitor TOIL and reimbursements to ensure budget compliance and project delivery
Delivery Support Staff	<ul style="list-style-type: none"> To assist staff with accurate payroll processing. To process claims efficiently and maintain records for TOIL and payroll
Heads of section	<ul style="list-style-type: none"> To approve TOIL and consider reimbursement. To manage projects efficiently to ensure delivery with minimum burden on staff To ensure staff wellbeing during periods of significant work at sea or over hours.
All staff	<ul style="list-style-type: none"> To submit claims promptly. To monitor TOIL earned and taken diligently and making records available to Heads of Section / Delivery Support staff To work safely and report concerns for self or colleagues during periods of significant work at sea or over hours.

Shetland UHI Finance Policy Handbook

Professional Membership Fees & Subscriptions

Policy Summary

Sets out the approach to payment of staff

Relevant to

- Financial procedures
- (HR / CPD)

Links to

- Risk management

1. Purpose

To enable staff to benefit from the opportunities afforded by membership of professional bodies relevant to their role in Shetland UHI.

2. Scope

Shetland UHI has a dispensation from HMRC to allow payment for individual membership fees or annual subscriptions to qualifying professional bodies. This means that there is no reportable tax charge where the Institute makes such payments.

A qualifying professional body is one that appears on the HMRC's approved list (go to www.hmrc.gov.uk/list3/index.htm for info).

Payments for individual membership fees to non-qualifying bodies are not covered by this dispensation and are treated as taxable benefits if paid for or reimbursed by Shetland UHI.

3. Policy

3.1 Conditions for Payment of Qualifying Subscriptions

- Payments which satisfy the following conditions will be exempt from any tax liability:-
- The body appears on the HMRC approved list;
- Membership is necessary in order to fulfil the duties of the job role or is required by the contract of employment.

3.2 Payments

- Reimbursement of permitted professional subscriptions should be claimed by completing and submitting an Expenses Claim form along with supporting information/receipt.
- Alternatively, direct payments to professional bodies can be made by providing the necessary documentation to finance and administration staff.

4. Responsibilities

Senior Finance Officer	<ul style="list-style-type: none">• To oversee consistent application of this policy
Delivery Support Staff	<ul style="list-style-type: none">• To assist staff with membership claims or payments
Heads of section	<ul style="list-style-type: none">• To approve memberships as relevant to staff duties
All staff	<ul style="list-style-type: none">• To submit claims promptly.• To forward renewal reminders and other details to allow memberships to be sustained.• To cancel memberships and subscriptions no longer needed or not beneficial to their role at Shetland UHI.