SHCG FINANCIAL REGULATIONS

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1. GENERAL PROVISIONS

1.1. BACKGROUND

1.1.1. South Hampshire College Group (SHCG) is a Further Education Corporation created under the provisions of the Further and Higher Education Act 1992 and successive Acts of Parliament. Its structure of governance is laid down in the Instrument and Articles of Government. SHCG is accountable through its Corporation, which has ultimate responsibility for the effectiveness of its management and administration.

1.1.2. SHCG is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The members of the Corporation are trustees of the charity.

1.1.3. Following the reclassification of the Further Education sector in November 2022, SHCG is now part of central government, and therefore, is subject to the framework for financial management as set out in Managing Public Money (MPM).

1.1.4. SHCG must comply with the requirements set out in the College Financial Handbook 2024, published in March 2024.

1.1.5. SHCG is regulated by the Secretary of State for Education as Principal Regulator for all FE Corporations in England. The Funding Agreement between the Department for Education (the DfE) and SHCG sets out the terms and conditions on which grant is made. The Corporation is responsible for ensuring that conditions of grant are met. As part of this process, SHCG must adhere to the Framework for auditors and reporting accountants of colleges - GOV.UK which requires it to have sound systems of financial and management control. These financial regulations form part of this overall system of accountability.

1.2. STATUS OF FINANCIAL REGULATIONS

1.2.1. This document sets out SHCG's financial regulations. It translates into practical guidance SHCG's broad policies relating to financial control. This document was reviewed by the Resources Committee and approved by the full Corporation.

1.2.2. These financial regulations are subordinate to SHCG's instruments and articles of government and to any restrictions contained within SHCG's funding agreement with the DfE and the Framework for auditors and reporting accountants of colleges - GOV.UK

1.2.3. SHCG will comply with all relevant legislation relating to financial management and economic crime, including the Criminal Finances Act 2017 and the Economic Crime and Corporate Transparency Act 2023. Detailed requirements are set out in the Counter Fraud & Corruption Policy and associated procedures.

1.2.4. The purpose of these financial regulations is to provide control over the totality of SHCG's resources and provide management with assurances that the resources are being properly applied for the achievement SHCG's strategic plan and business objectives:

- financial viability
- achieving value for money
- fulfilling its responsibility for the provision of effective financial controls over the use of public funds
- ensuring that SHCG complies with all relevant legislation
- safeguarding the assets of SHCG.

1.2.5. Compliance with the financial regulations is compulsory for all staff and Governors connected with SHCG. A member of staff who fails to comply with the financial regulations may be subject to disciplinary action under SHCG's disciplinary policy. The Corporation will be notified of any such breach through the Audit & Risk Committee. It is the responsibility of the Executive Leadership Team (ELT) and Group Leadership Team (GLT), and other senior staff to ensure that their staff are made aware of the existence and content of SHCG's financial regulations.

1.2.6. The Resources Committee is responsible for maintaining a continuous review of the financial regulations, through the Chief Financial Officer, and for advising the Corporation of any additions or changes necessary.

1.2.7. In exceptional circumstances, this Corporation may authorise a departure from the detailed provisions herein.

1.3. OBJECTIVES AND SCOPE

1.3.1. These Financial Regulations are intended to cover all the financial affairs of the Corporation and meet the financial objectives as laid out in the Instrument of Government and SHCG's Strategic Plan.

1.3.2. The Financial Regulations will also apply to any/ all trusts or subsidiaries which may be established by the Corporation.

2. CORPORATE GOVERNANCE

2.1. THE CORPORATION

2.1.1. The Corporation is responsible for the management and administration of SHCG.

2.1.2. Its financial responsibilities are to:

- ensure the solvency of SHCG and the safeguarding of SHCG's assets
- appoint, grade, suspend, dismiss and determine the pay and conditions of service of the Chief Executive Officer and other senior post-holders including the Director of Governance
- set a framework for pay and conditions of service of all other staff
- ensure that the financial, planning and other management controls, including controls against fraud and theft, applied by SHCG and its companies are appropriate and sufficient to safeguard public funds
- approve the appointment of external auditors and an internal audit service
- secure the efficient, economical and effective management of all SHCG's resources and expenditure, capital assets and equipment, and staff, so that the investment of public funds in SHCG is not put at risk
- ensure that appropriate financial considerations are taken into account at all stages in reaching decisions and in their execution
- plan and conduct its financial and academic affairs so that its total income is not less than sufficient, taking one year with another, to meet its total expenditure
- approve an annual budget before the start of each financial year
- ensure that SHCG complies with the Framework for auditors and reporting accountants of colleges - GOV.UK
- approve SHCG's strategic plan
- approve the annual financial statements.

2.2 ACCOUNTING OFFICER

2.2.1 The Chief Executive Officer is SHCG's Accounting Officer and is responsible for ensuring the financial administration of SHCG and its companies' affairs are in accordance with the financial memorandum with all funding bodies. As the Accounting Officer, the Chief Executive Officer may be required to justify any of SHCG and its companies' financial matters to the Public Accounts Committee at the House of Commons.

2.2.2 In particular, the articles of government 3. (2).(c) charge the Chief Executive Officer with responsibility: "...for preparing annual estimates of income and expenditure, for consideration and approval by the Corporation, and for the management of budget and resources, within the estimates approved by the Corporation."

2.2.3 The Chief Executive Officer shall demonstrate oversight of financial matters by signing the balance sheet and the statement of corporate governance within the annual financial statements, and the Chief Executive Officer's statement of the financial forecasts submitted to the funding body.

2.3 COMMITTEE STRUCTURE

2.3.1 The Corporation has ultimate responsibility for SHCG's finances, but delegates specific powers and processes to the committees detailed below:
Resources Committee
Audit & Risk Committee
Curriculum and Quality Committee
Senior Postholder Remuneration Committee
Governance Committee

2.4 SENIOR MANAGERS WITH FINANCIAL RESPONSIBILITY

2.4.1 Chief Financial Officer
Day-to-day financial administration is controlled by the Chief Financial Officer who is responsible to the Chief Executive Officer and the Corporation for:

- preparing SHCG annual accounts and other financial statements and accounts which SHCG and its companies is required to submit to other authorities
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations
- preparing annual capital and revenue budgets and financial plans
- ensuring that SHCG and its companies maintains satisfactory financial systems
- providing professional advice on all matters relating to financial policies and procedures
- day-to-day liaison with internal and external auditors in order to achieve efficient processes.

2.5 WHISTLEBLOWING

2.5.1 Whistleblowing in the context of the Public Interest Disclosure Act is the disclosure by an employee (or other party) about malpractice in the workplace. A whistle blower can blow the whistle about crime, civil offences (including negligence, breach of contract, etc.), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. Any allegation must be in the public interest and made with a predominantly honest motive. It does not matter whether or not the information is confidential, and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

2.5.2 Any matters raised as concerns relating to the Public Interest Disclosure Act shall be dealt with in accordance with the SHCG's Whistleblowing Policy. Where relevant SHCG's Counter Fraud & Corruption policy will also be consulted.

2.5.3 Money Laundering
SHCG, with reference to the internal auditors, will ensure that appropriate controls and internal checks are put in place to minimise the opportunity for money laundering activities to take place within SHCG.

2.6 FINANCIAL CODE OF CONDUCT

2.6.1 SHCG is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe.

2.6.2 Additionally, members of the Corporation, ELT and key members of staff involved in procurement are required to disclose interests in SHCG's public register of interests maintained by the Director of Governance (or another designated officer) which is available via the website. They will also be responsible for ensuring that entries in the register relating to them are kept up to date regularly and promptly, as prescribed in the financial procedures.

2.6.3 In particular, no person shall be a signatory to an SHCG contract where they also have an interest in the activities of the other party.

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

- the conduct of individuals should not create suspicion of any conflict between their official duty and their private interest
- the action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

Thus, members of staff should not accept any gifts, rewards or hospitality (or have them given to members of their families) from any organisation or individual with whom they have contact in the course of their work that would cause them to reach a position whereby they might be, or might be deemed by others to have been, influenced in making a business decision as a consequence of accepting such hospitality. The frequency and scale of hospitality accepted should not be significantly greater than SHCG would be likely to provide in return.

Details of all gifts or hospitality offered, given or received with a value of £50 or above must be declared and recorded in the Gifts & Hospitality Register in accordance with the SHCG Counter Fraud & Corruption Policy.

3. FINANCIAL MANAGEMENT AND CONTROL

3.1 FINANCIAL PLANNING

3.1.1 General

The Chief Financial Officer is responsible for preparing annually a rolling financial plan for approval by the Corporation on the recommendation of the Resources Committee and for preparing financial forecasts for submission to the DfE. Financial plans should be consistent with the strategic plans and property strategy approved by the Corporation.

3.1.2 Budget objectives

The Corporation will, from time to time, set budget objectives for SHCG and its companies. These will help the Chief Financial Officer in preparing his or her more detailed financial plans for SHCG and its companies.

3.1.3 Resource allocation

Resources are allocated annually by the Corporation on the recommendation of the Resources Committee, and on the basis of the above objectives. ELT members are responsible for the economic, effective, and efficient use of resources allocated to them.

3.1.4 Budget preparation and allocation

The budget for the following year is proposed by the ELT, examined by the Resources Committee, and approved by the Corporation. Budget holders will be responsible for monitoring resource allocation within their section and for making recommendations for any appropriate redistribution of resource. These will be monitored by the Chief Financial Officer who will provide regular reports to the ELT and the Resources Committee.

All proposals for new developments involving significant additional expenditure in the budget cannot be approved by the Corporation without a report containing a section dealing with the financial implications, which has been approved by the Chief Financial Officer before submission to any committee or the Corporation.

3.1.5 Capital Expenditure Budget

Capital expenditure includes the following (whether or not they are funded from capital grants or capitalised for inclusion in the SHCG's financial statements):

(a) purchase of land and buildings

(b) site works, erection, alteration and improvement of buildings (where there is a resultant increase in net book value of the buildings)

(c) professional fees in respect of the above

(d) purchase of and installation of new furniture, fixtures, equipment, and IT assets providing that the cost of such items, or groups of related items, is in line with the value detailed in **Appendix A.**

3.1.6 Loans

No loans or guarantees will be given without the prior approval of the DfE and the Corporation.

3.1.7 Indemnities, Guarantees and Letters of Comfort

SHCG will not enter into liabilities without explicit parliamentary authority, other than those arising in the normal course of business, such as any commercial contracts that include indemnity clauses; these are not restricted and DfE consent is not required. DfE consent is required in respect of indemnities beyond the normal course of business, guarantees and letters of comfort in excess of: 1% of annual income or £45k (whichever is smaller); or 5% of annual income cumulatively (subject to

a cumulative ceiling of £250k.)

3.1.8 The Chief Financial Officer will establish protocols for capital expenditure to enable them to be considered for approval by either the Resources Committee or the Corporation. These would usually include:

- A statement which demonstrates the project's consistency with the strategic plans and estates strategy approved by the Corporation;
- An initial budget for the project for submission to Resources Committee. The budget should include a breakdown of costs including professional fees, VAT and funding sources;
- A financial evaluation of the plans together with their impact on revenue plus advice on the impact of alternative plans;
- A demonstration of compliance with normal tendering procedures as outlined in **Appendix B** and the funding body regulations;
- Following completion of a capital project, a final report should be submitted to Resources Committee recording actual expenditure against budget and reconciling funding arrangements where a material variance has occurred.

3.1.9 Any new aspects of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time will be subject to the limits as detailed in **Appendix A** and include following the protocols listed in 3.1.8

3.1.10 Where permissions for large scale projects are sought in line with limits at **Appendix A**, financial limits for approval will normally be based on the entirety of the project or development rather than individual phases.

3.1.11 Once a project or development is approved, subsequent approvals for individual purchases, contracts or leases included in the original brief or investment appraisal would not normally be sought. This includes projects/ developments where project management contractors are involved in overseeing the delivery of a project.

3.1.12 The Chief Financial Officer takes responsibility for keeping the Resources Committee and or the Corporation informed of the progress of the project and will commit to informing them of any material changes in either income or expenditure.

3.1.13 In planning and undertaking overseas activity, SHCG and its companies must have due regard to the relevant guidelines issued by the funding bodies.

3.2 FINANCIAL CONTROL

3.2.1 Budgetary control
The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively.

Budget holders are responsible to their ELT or GLT member for the income and expenditure appropriate to their budget.

3.3 ACCOUNTING ARRANGEMENTS

3.3.1 Financial year
SHCG's financial year will run from 1 August until 31 July the following year.

3.3.2 Basis of accounting

The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards – FRS102 & HE/FE Statement of Recommended Practice (SORP.)

3.3.3 Format of the financial statements

The financial statements are prepared in accordance with the HE/FE SORP based on the FRS102 standard. They conform to the guidance published by the College Finance Directors Group (CFDG), the Association of Colleges (AoC), and the DfE in consultation with financial statements auditors.

3.3.4 Accounting records

The Chief Financial Officer is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the relevant authorities.

SHCG is required by law to retain prime documents for six years, in addition to the current financial year.

These include:

- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- payroll records

The Chief Financial Officer will make appropriate arrangements for the retention of electronic records. Members of staff should ensure that retention arrangements comply with any specific requirements of funding organisations. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

3.3.5 Information to Budget Holders

Budget Holders have online access to their current income and expenditure via SHCG's finance computer systems. Contribution analysis information is provided to Curriculum Directors/Curriculum Area Managers on a regular basis (except the first month of the financial period).

3.3.6 Information to the Corporation and Executive Leadership Team

The Finance Department will provide management accounts, including a commentary, income and expenditure reports, balance sheet and cash flow forecast each month. The management accounts will be distributed to each member of the ELT and to all members of the Corporation by the end of the following month, except the first month of the financial period.

3.3.7 Taxation

The Chief Financial Officer is responsible for maintaining SHCG's tax records, making all tax payments to HMRC Customs & Excise and the Inland Revenue, receiving tax credits and submitting tax returns by their due date as appropriate.

3.4 AUDIT REQUIREMENTS

3.4.1 General

External auditors and internal auditors shall have authority to:

- access SHCG's premises at reasonable times, with reasonable notice access all assets, records, documents and correspondence relating to any financial and other transactions of SHCG.
- require and receive such explanations as are necessary concerning any matter under examination
- require any employee of SHCG to account for cash, stores or any other of SHCG's property under his or her control
- access records belonging to third parties, such as contractors, when required.

The Chief Financial Officer is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.

3.4.2 External audit

The appointment of external auditors for the main financial statements of SHCG and its companies is the responsibility of the Corporation. The Audit & Risk Committee will advise the Corporation.

The primary role of this external audit is to report on SHCG's 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. Their duties will be in accordance with advice set out in the funding bodies' Framework for auditors and reporting accountants of colleges - GOV.UK and the Auditing Practices Board's statements of auditing standards.

In addition, on an annual basis, the external auditors are appointed to carry out the Teachers' Pensions audit and from time to time, the DfE may appoint separate auditors to carry out an external audit of SHCG's Individualised Learner Record (ILR) return. The primary role of this audit is to give assurance to the DfE that SHCG's funding is accurate within certain agreed tolerances. This work will also help the external auditors of SHCG in their work on the income elements of the Financial Statements.

3.4.3 Internal audit

The Corporation on the recommendation of the Audit & Risk Committee appoints the internal auditor. The Audit & Risk Committee will advise the Corporation.

The main responsibility of internal audit is to provide the Corporation, the Chief Executive Officer and senior management with assurances on the adequacy of the internal control system.

The internal audit service remains independent in its planning and operation but has direct access to the Corporation, Chief Executive Officer and Chair of the Audit & Risk Committee. The internal auditor will also comply with the Auditing Practices Board's auditing guideline Guidance for Internal Auditors.

3.4.4 Fraud and corruption

Any instances of potential fraud will be addressed in accordance with SHCG's Counter Fraud & Corruption policy.

All incidents of fraud or deception or suspected deception should be reported immediately verbally or in writing to the Chief Financial Officer. The Chief Financial Officer will ensure that the Chief Executive Officer, as Accounting Officer, is informed without delay of any material or potentially material incident. Escalation to the Chair of the Audit & Risk Committee and external bodies will be undertaken in accordance with the SHCG Counter Fraud & Corruption Policy and Fraud Response Plan.

If it is inappropriate for any member of staff suspecting an irregularity to discuss this with either their line manager or the Chief Financial Officer or the Chief Executive Officer, they should report the matter to the Chair of Audit & Risk Committee directly.

A single Fraud Log will be maintained by the Chief Financial Officer. The log, together with any active management actions, will be reviewed by the Audit & Risk Committee at least annually, or more frequently where circumstances require.

3.4.5 Theft of or Damage to Property

All significant incidents of theft and damage should be reported immediately to the Chief Financial Officer. The Chief Financial Officer will ensure that:

- In all instances the necessary people will be informed and the Police where appropriate.
- Where insurance cover exists, a claim will be made.
- Where staff or student involvement is suspected, the appropriate disciplinary procedure is invoked.
- Significant thefts will be reported to the Audit & Risk Committee.

3.4.6 Value for money

It is a requirement of the Funding Agreement that the Corporation is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the DfE, the National Audit Office, the Public Accounts Committee or other relevant bodies.

3.4.7 Other auditors

SHCG and its companies may, from time to time, be subject to audit or investigation by external bodies such as the DfE, National Audit Office and HM Revenue and Customs. They have the same rights of access as external and internal auditors.

3.5 TREASURY MANAGEMENT

The Corporation is responsible for approving a Treasury Management Policy setting out a strategy and policies for cash management, long-term investments and borrowings. A copy of the Treasury Management Policy is available on the Intranet.

3.6 BAD DEBTS

Thirty days after issue of invoices, if unpaid, a written reminder is sent and, or, telephone chase is made to the debtor. Subsequent reminders are sent in accordance with SHCG's Fee Collection & Credit Control Procedures.

3.6.1. SHCG may use the services of a Debt Collection Agency at the discretion of the Group Director of Finance. SHCG has the right to ask any student to leave the course if the debt remains unpaid.

3.6.2 Writing off Debts

All due debts should be pursued to the point where it is economically viable and the write off of bad debts must comply with the rules set out in MPM (Managing Public Money). The Chief Executive Officer will report any write off of debts above the limits set out in MPM to the Corporation.

Debts may only be written off when authorised in writing, in line with the limits set out in Appendix A.

3.7 OTHER INCOME-GENERATING ACTIVITY

3.7.2 Private consultancies and other paid work

Unless otherwise stated in a member of staff's contract, outside consultancies or other paid work may not be accepted without the consent of the ELT member (and in the case of an ELT member, the Chief Executive Officer.)

Applications for permission to undertake work as a purely private activity must be submitted to the ELT member or Chief Executive Officer. If permission is being sought by the Chief Executive Officer or the Director of Governance, applications must be approved by the Chair of the Corporation. Full details can be found in SHCG's Conflict of Interest policy available via the intranet.

3.7.3 Subcontracting

Any contract or arrangement whereby SHCG provides education to students with independent contractors (partner organisations), must be subject to the following procedure. The Corporation will approve the use of subcontractors, supported by a business plan in line with SHCG strategy, and the value of contract to be issued.

The contract will be signed by the Chief Executive Officer and by the partner organisation, will comply at least with the DfE model contract (as amended from time to time) and should be in place before any provision is made.

3.7.4 Grants

European Union (EU) Grants and other Grants funding

Any such project requires the approval of the appropriate officer prior to any commitment being entered into. Such approval shall be dependent upon the relevant ELT member being able to demonstrate that eligible matching funds are available and that the project is financially viable and aligns to SHCG's strategic objectives and meets Funding Agreement conditions. Individual applications for funds in excess of the limit set out in **Appendix A** shall be the subject of a report to the Corporation or appropriate sub-committee which will set out, amongst other things, the potential risks generated by the project. If SHCG sub-contracts such work to external providers, the Chief Executive Officer, and Chief Financial Officer shall ensure that:

- this is on the basis of a written contract which allows for full audit access to detailed records
- appropriate monitoring procedures are in place to ensure that the outputs are achieved, and the provision is of suitable quality
- due diligence has been undertaken and satisfactorily met before any award of contract is made
- payments are only made against detailed invoices.

3.7.5 Profitability and recovery of overheads

All other income-generating activities must be self-financing or surplus-generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the ELT member and the Chief Financial Officer.

Other income-generating activities organised by members of staff must be costed and agreed with the Chief Financial Officer before any commitments are made. Provision must be made for charging both direct and indirect costs in accordance with SHCG's costing and pricing framework, in particular for the recovery of overheads.

3.7.6 Deficits

Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

3.8 INTELLECTUAL PROPERTY RIGHTS AND PATENTS

3.8.2 General

Certain activities undertaken within SHCG including research and consultancy may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.

3.8.3 Patents

The Resources Committee is responsible for overseeing any procedures established to deal with any patents accruing to SHCG from inventions and discoveries made by staff in the course of their research.

3.8.4 Intellectual property rights

In the event of SHCG deciding to become involved in the commercial exploitation of inventions and research, the matter should then proceed in accordance with the intellectual property procedures issued by SHCG and contained in SHCG's detailed financial procedures.

3.9 EXPENDITURE

3.9.2 General

The Chief Financial Officer is responsible for making payments to suppliers of goods and services to SHCG.

3.9.3 Transactions

Any transactions that may be considered novel, contentious and/or repercussive require the prior consent of the Department for Education, as set out in MPM. See section 3.12.2

3.9.4 Procurement

SHCG requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice and to comply with the relevant financial procedures. Factors to be considered in determining lowest cost are noted in the financial procedures.

3.9.5 Purchase orders

The ordering of goods and services shall be in accordance with the SHCG's detailed financial procedures/purchasing policies.

Goods and services required by SHCG should be requested via a purchase order requisition using the on-line purchase ordering software system, unless there are for exempt supplies.

Staff may be held personally responsible for the cost of goods and services received by SHCG for which an official order has not been placed.

In an emergency such as the breakdown of vital equipment, a telephone order or email from Group Director of Finance, Group Director of Estates & Facilities, or Group Director of IT may be made for a repair service. In these circumstances the telephone order must be agreed by the budget holder and a confirmation order generated via a purchase order requisition using the on-line purchase ordering software system within one working day of the telephone order being made.

Specific purchase orders for utilities, such as telephone, water, electricity and gas will not normally be required, but an annual "blanket" requisition should be created to ensure the commitment to these costs is noted.

Staff must declare in -line with the processes set out in the Declaration of Interest policy if they have:

- any financial interest in any business which supplies goods or services to SHCG, or a close family or personal relationship with an individual who has a financial interest in any business which supplies goods or services to SHCG.

In the case of the Chief Executive Officer or the Director of Governance, the declaration shall be to the Chair of Corporation. All staff should refer to the Declaration of Interest Policy via the staff intranet.

3.9.6 Contracts

All contracts, including both income and expenditure, must be signed in accordance with the authorisation levels in **Appendix A** 1. Procurement of Goods and Services. Copies of all contracts, whether there is a financial implication or not, should be entered onto the SHCG contracts register maintained by the Director of Finance and Procurement

3.9.7 Receipt of goods

All goods shall be received at designated receipt and distribution points. They shall be checked for quantity and, or, weight and inspected for quality and specification. A delivery note should be obtained from the supplier at the time of delivery and signed by the person receiving the goods.

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

Where goods are short on delivery, the record should be marked accordingly, and the supplier immediately notified. The originator of the purchase order will be required to receipt the goods electronically via the on-line purchase ordering software system.

3.9.8 Payment of invoices

The procedures for making all payments shall be in a form specified by the Chief Financial Officer. The Group Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer each fortnight. In highly exceptional circumstances the Group Director of Finance or Chief Financial Officer (or CEO in their absence) will sanction bank transfers for high value urgent payments.

3.9.9 Travel and Subsistence

Members of the Corporation will be reimbursed for the cost of UK travel and subsistence essential to the conduct of SHCG business, in line with SHCG Travel and Subsistence policy. Overseas travel expenses will only be incurred by exception and must be agreed in advance of the date of travel at a meeting of the ELT or GLT and, or, reported to the Corporation.

Staff will be reimbursed via Payroll for the cost of UK travel and subsistence essential to the conduct of SHCG business in line with the SHCG Travel and Subsistence Policy. However, travel and other expenses should not be incurred without the prior knowledge of the budget holder. SHCG reserves the right not to reimburse claims for travel and subsistence which are submitted three months or more after the date of travel.

All expense claims by the Chief Executive Officer, Director of Governance and Governors will be approved by the Chair of Corporation.

3.9.10 Hospitality

Staff entertaining guests from outside bodies at lunch time should normally use the catering facilities on site, having raised a purchase order in advance. Where this is not the case reasons must be stated when submitting a claim for reimbursement. The limits concerning acceptable expenditure for entertaining guests are set out in **Appendix A**.

3.9.11 Procurement Cards

The operation and control of SHCG's procurement cards is the responsibility of the Chief Financial Officer.

Where appropriate, the Group Director of Finance will approve the issuing of procurement cards to staff, although recommendation is an SHCG account without named users, where the card is retained in Finance Office, only issued at point of use and return.

Holders of procurement cards must use them only for the purposes for which they have been issued, on valid business expenses and within the authorised purchase limits. Cards must not be loaned to another person, nor should they be used for personal or private purchases and the misuse of such cards shall be grounds for disciplinary action. Cardholders should obtain approval to purchase from the relevant budget holder and should ensure that there is sufficient budget available to meet the costs.

3.9.12 Credit Cards

The Chief Financial Officer will approve the issuing of credit cards to staff. Each credit card has a set transaction limit.

The Group Director of Finance will be responsible for setting in place a system to monitor the use of SHCG procurement and credit cards and account for expenses charged through them. They shall determine what information is required on purchases made with credit cards from cardholders and deadlines for receipt in the finance section to enable financial control to be maintained and cardholders must provide that information. The Group Director of Finance maintains a register of all cardholders, card numbers and locations. Any changes to these details must be notified to the Group Director of Finance.

3.10 PAY EXPENDITURE

3.10.2 Monitoring Integrity of Data

Once all staff details have been entered on the payroll system, new or amended names and salaries and personal/bank details must be confirmed by the Group Director of Human Resources in order to validate and ratify data collection.

3.10.3 Changes to Pay Rates

Changes to pay rates for staff (such as a cost of living increase or change to the National Minimum Wage) may only be made with the written authority of either the Chief Executive Officer, the Chief Financial Officer or the Deputy CEO People and Resources following approval by ELT and Corporation. Any changes to pay for Senior Postholders must be approved by the Corporation. Only the Director of Governance is permitted to communicate Board decisions regarding Senior Post Holders remuneration to the Group Director of People and Culture confirming that all governance processes and MPM rules have been followed. Instructions direct from a governor/Principal/SPH should be referred back to the Director of Governance.

3.10.4 Additional Payments

Overtime will only be paid on the prior authorisation of the Budget Holder subject to funds available following SHCG Payroll/People & Culture procedures.

Expenses will only be paid on the prior authorisation of the Budget Holder following SHCG Payroll/People & Culture procedures.

Any other additional payments must be authorised in writing by the budget holder and either the Chief Executive Officer or Chief Financial Officer.

3.10.5 Special Payments including severance (exit), compensation and ex-gratia.

In exceptional circumstances 'exit' payments (also known as settlement payments) may be made to staff. Payments of this nature (including the raising of appropriate justifications and supporting documentation) require written authority of the Chief Executive Officer.

Exit payments concerning Senior Post Holders, including the Director of Governance require written authority of the Corporation.

Payments in excess of £50,000 (or the equivalent of 3 month's salary require prior approval from the DfE, as required by MPM.

Ex gratia, extra contractual, extra statutory or extra regulatory payments require the prior consent of the DfE, as set out in MPM.

More information is available here; College requirements for special payments, including severance, compensation and ex-gratia payments - GOV.UK (www.gov.uk)

3.10.6 Security of Documentation

All documentation relating to pay will be kept securely for a minimum of seven years after the staff member has left the employment of SHCG.

3.10.7 Changes to Deductions

Changes to deductions other than statutory may only be made with the written authority of the member of staff concerned following SHCG payroll/People & Culture procedures and, or, an authority to whom they have given signed acceptance.

3.10.8 Confidentiality

All staff pay and expenses information is strictly confidential. Information may only be given to people or organisations outside SHCG if required by law or authorised by the member of staff concerned (or their legal representative).

Pay and expenses information will only be given to other SHCG staff in order to provide essential financial information for SHCG financial management. Any electronic copies of such information shall be password protected to ensure compliance with the SHCG's Data Protection Policy.

3.10.9 Payment to Staff

Payment will be made to staff by direct credit to banks or building society accounts. Cheques to staff will be paid only in the event of a problem with the BACS system.

3.10.10 BACS Authority

Payment via BACS will only be confirmed by the Director of Finance after the monthly reconciliations have been checked and signed by the Group Director of People & Culture and the Deputy CEO – People & Resources.

As per 3.5.4, the electronic authoriser of BACS Payments (signer) must not be the same person who has prepared the batch of transactions (sender).

3.10.11 Statutory Returns and Pension

Statutory returns will be prepared by the Payroll Team and reviewed by the Deputy CEO People and Resources before dispatch.IR35

No work should be undertaken by any individual who claims to be 'self-employed' without their status being validated by the Deputy CEO People and Resources. For more information, please refer to the People and Culture IR35 procedure.

3.11 ASSETS

3.11.2 Fixed Asset Register

The Chief Financial Officer is responsible for maintaining SHCG's register of land, buildings, fixed plant and machinery. Other members of ELT and GLT members will provide the Chief Financial Officer with any information he or she may need to maintain the register.

3.11.3 Capitalisation and Depreciation Land and buildings

Newly purchased land and buildings will be recorded in the balance sheet at actual build or acquisition cost except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life (50 years). Land will not be depreciated. Assets will be depreciated over their estimated useful life according to the current accounting policies approved annually by the Corporation as part of the accounts.

Building repair and refurbishments

Expenditure incurred on repair, refurbishment or extension of existing buildings will not be capitalised unless it can be demonstrated that the resultant value of the building, on the basis of depreciated replacement value, is greater than the current book value.

SHCG will take account of the nature of any refurbished projects in considering whether to capitalise and depreciate by considering matters of:

- market value of the fixed asset has substantially increased
- asset capacity increases
- substantial improvement in the quality of output or reduction in operating costs
- significant extension of the asset's life beyond that conferred by repairs and maintenance.

The amount capitalised will only be the refurbished part of the works that can be accurately identified to supplier payments/invoices and, or, costs readily directly associated with the project.

3.11.4 Assets under construction

Assets under construction are accounted for at cost, based on the value of architect's certificates and other direct costs. They are not depreciated until they are brought into use.

3.11.5 Minimum capitalisation limit

Expenditure of £1,000 or more on individual items which are expected to have a life of more than one year should be capitalised and depreciated over the expected useful life. Where items individually cost less than £1,000 or are bought in multiple volumes as part of a project (e.g., new PCs in an IT suite) the bulk purchase may be capitalised at the discretion and agreement of the Chief Financial Officer.

3.11.6 Grants

Where fixed assets are acquired with capital grant match funding the grants will be released from the balance sheet to the Statement of Comprehensive Income (SOCI) in line with depreciable life of the assets acquired.

Where grants are provided to match operational expenditure the grant will be released once the performance condition of the grant has been met into the SOCI.

3.11.7 Depreciation Policy

Fixed assets over £1,000 that have a useful life of over 1 year are depreciated on a simple straight-line basis annually.

Asset useful lives are defined as:

PCs, Laptops and Computer Eqpt	3-5 years
Furniture & Fittings	5 years
Plant & Machinery	5 years
Building refurbishments /long term works	10+ years

3.11.8 Inventories

Budget Holders are responsible for maintaining inventories of desirable items not included in the asset register, in a form prescribed by the Chief Financial Officer.

Inventories must be checked at least annually. When transferring equipment, etc between departments, a transfer record must be kept, and the inventories amended accordingly.

Budget Holders are responsible for ensuring that regular inspections and stock checks are carried out. Storage of any items of a hazardous nature should be subject to appropriate Health and Safety/Security checks.

Those Budget Holders whose stocks require valuation in the balance sheet must ensure that the

stock-taking procedures in place have the approval of the Chief Financial Officer and that instructions to appropriate staff within their departments are issued in accordance with advice contained in SHCG's detailed financial procedures.

3.11.9 Safeguarding Assets

Budget Holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc under their control. They will consult the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

Assets owned by SHCG, so far as is practical, should be effectively marked to identify them as SHCG's property.

3.11.10 Personal Use

Assets owned or leased by SHCG shall not be subject to personal use. Use of SHCG's IT resources is covered by the IT Acceptable use Policy.

3.11.11 Asset disposal

Staff must advise the Group Director of Finance and Chief Financial Officer in writing of any SHCG assets which they wish to sell or otherwise dispose of.

Assets which have a potential value in excess of the limit in **Appendix A** shall require a professional valuation. If satisfactory evidence is given that the asset is of no further use to SHCG, arrangements for sale/disposal may be made in line with current SHCG procedures and health and safety legislation.

The Chief Financial Officer is responsible for ensuring the use of sale proceeds following the disposal of any SHCG buildings are used in line with MPM rules.

3.12 OTHER

3.12.2 Insurance

The Chief Financial Officer is responsible for SHCG's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall risk management strategy all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and provide sufficient cover to meet any potential risk to all assets.

All staff using their own vehicles on behalf of SHCG shall maintain appropriate insurance cover for business use, MOT and tax.

3.12.3 Novel, Contentious and Repercussive

In certain circumstances it may be advantageous to SHCG to engage in an activity which could be considered to be novel, contentious or repercussive (as defined by the DfE) Any member of staff considering an activity under these circumstances should first seek the advice of the Chief Financial Officer, who should have due regard to guidance issued by the DfE. The proposal to engage in any novel, contentious or repercussive venture should always be approved by the Corporation.

3.12.4 Security

Keys to safes or other similar containers are to be carried on the person of those responsible at all times, or in a locked safe key box.

The Group Director of IT shall be responsible for maintaining proper security and privacy of information held on SHCG's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act/GDPR and the Computer Misuse Act 1990. A data protection officer shall be nominated to ensure compliance with the Act and the safety of documents.

The Director of Governance is responsible for the safekeeping of official and legal documents relating to SHCG and its companies. All such documents shall be held in an appropriate secure location.

3.12.5 Password and Access Control

Password and access control is the responsibility of the Group Director of IT who will maintain a detailed log identifying which staff have access.

The Group Director of IT will be advised by the People and Culture department of all staff leavers so that their access and passwords to all finance and payroll systems can be deleted.

3.12.6 Back-up and Security of Data

The Group Director of IT is responsible for the Data security of SHCG in line with Group Policy.

3.12.7 Changes to Systems

Any proposed changes to existing computer systems must be documented in writing in conjunction with the Group Director of IT before implementation.

3.12.8 New Systems

All computer systems which are to be used for the maintenance of statutory financial information, including payroll, will be tested to ensure that the necessary controls exist to comply with security of data and access.

3.12.9 Finance Codes

Once the chart of accounts has been set out no new codes may be added to or deleted from the system without authority of the Group Director of Finance.

Appendix A – Expenditure sign-off authorities

1. Procurement of goods and services (including contract sign-offs and excluding subcontracting)

Values	Required level of sign-off
Up to £1,000	Budget Holder (Curriculum Area Manager) and Designated Signatories
£1,001 to £5,000	Director/Finance Manager/Management Accountant
£5,001 to £10,000	Financial Accountant, Members of GLT.
£10,001 to £50,000	Group Director of Finance
£50,001 to £100,000	Chief Financial Officer or in their absence, Deputy CEO/Group Principal
£100,001 to £250,000	Chief Executive Officer
£250,001 to £500,000	Resources Committee
>£500,001	Corporation

Note: The above figures are exclusive of VAT and apply to the total lifetime contract value of any financial commitment i.e., IT leases over several years are a cumulative commitment made today.

2. BACS and electronic bank payment authority levels

Values	Required level of sign-off	Minimum of
Up to £250,000 (excluding payroll transactions)	Primary signatories	Financial Accountant (+ Group Director of Finance for any individual item exceeding £10,000). Group Director of Finance
£250,001 to £500,000 (excluding payroll transactions)	Primary signatories Secondary signatory	Financial Accountant and Group Director of Finance Chief Financial Officer
£500,001 and above (excluding payroll transactions)	Primary signatories Secondary signatory	Chief Financial Officer + Group Director of Finance Chief Executive Officer, Deputy CEO or Campus Vice Principal.

3. Payroll/HMRC/Pensions

Values	Required level of sign-off	Minimum of
Up to £500,000 - HMRC/Pensions	Primary signatories	Deputy CEO – People and Resources and Group Director of Finance
Over £500,001 - HMRC/Pensions	Primary signatories Secondary signatory	Deputy CEO – People and Resources and Group Director of Finance Chief Financial Officer OR Chief Executive Officer
Up to £1,500,000 - monthly net pay (last WD of month)	Primary signatories	Chief Financial Officer OR Chief Executive Officer
Over £1,500,001 - monthly net pay (last WD of month)	Primary signatories Secondary signatory	Chief Financial Officer and Chief Executive Officer

Note:

1. Payments to the Teachers' Pension Scheme (TPS) are strictly to a deadline and a sign-off delay will result in daily fines. Payments to TPS based on employee and employer contributions originating from the payroll process will be assumed correct and made to time in the absence of signatory availability at the specific time.
2. BACS payments will have gone through the schedule 1 process of authorisations, so the thresholds are to offer additional safeguards on BACS authority limits,
3. Where the Chief Executive Officer or Senior Post Holder (including the Director of Governance) is not available to sign off on a BACS payment then Chair of the Corporation will be the stand- in delegated authority.
4. In the event of a College lockdown and staff working from home, payment authorisation shall be sought electronically. Copies of any authorisation given will be retained by Finance or Payroll.

4. Miscellaneous transactions

Value	**Required level of sign-off**
Up to £50	Limit of Petty Cash advances to employee and students
Up to £500 (to bank/ not cash)	Limit of advances to staff for expenses (via Bank transfer)
Up to £2,000 (to bank/ not cash)	Limit of advances to staff for trips (via Bank transfer) Unless authorised by Group Director of Finance
£50	Gifts & Hospitality limit (see section 2.6)
55p/ mile	See SHCG Expenses Policy
All CEO Expenses	Approved by Chair (subject to reasonability test) or Vice Chair if Chair unavailable.

5. Fixed asset capitalisation

Value	**Required level of sign-off**
£1,000 *(inclusive of vat)*	Minimum limit for capitalisation of assets onto Fixed Asset Registers (Can include smaller value items at the discretion of the Group Director of Finance)

6. Capital projects (including grants) not inclusive of VAT

Values	**Required level of sign-off**
£1,000 to £50,000 £50,001 to £100,000	Group Director of Finance or Chief Financial Officer Chief Financial Officer + and GLT (incl Chief Executive Officer)
£100,001 to £250,000	Chief Executive Officer
*Projects over £250,001 to £500,000	Resources Committee
*Projects over £500,001	Above plus Corporation

**Note: Approval for large capital projects will normally be based on the entirety of the project rather than individual phases. Subsequent approvals for individual purchases, contracts or leases included in the original brief or investment appraisal for a capital project would not normally be sought.*

7. Asset/debts/transactions write-offs/indemnities

Single transaction	Cumulative value	Required level of sign-off
£2,500	£50,000	Group Director of Finance or Chief Financial Officer
£10,000	Up to £100,000	Chief Financial Officer + Group Director of Finance
£10,000	Up to £150,000	Chief Financial Officer + GLT member
£50,000*	Up to £200,000	Chief Financial Officer + GLT member + Chief Executive Officer
£50,001* +	Up to £250,000	Resources Committee
*£45,000+ or 1% of annual income (whichever is smaller)	£250,000+ or 5% of annual income (whichever is smaller)	Require the prior consent of the Department for Education (MPM).

8. Subcontracting *

All decisions to use subcontractors require Corporation approval before a contract is issued.

Values	Required level of sign-off
Up to £50,000	Chief Financial Officer
Over £50,000**	Chief Executive Officer

* subcontracting is subject to a retained contribution to South Hampshire College Group of between 10% to 20%+ depending on risk/ admin/ contract terms with a partner

** subject to tendering where applicable

9. Severance

All severance payments including non-statutory/non-contractual severance/compensation payments above which require the prior consent of the DfE, as set out in MPM.

Payments less than £50,000 or 3 months' gross salary per case (whichever is lower), can only be signed by the Chief Executive Officer.

Appendix B Procurement, quotes and tender authorities

Purchasing practices and limits applicable to goods, services and contracts

Contract Value (exc VAT)	Procurement Requirement
Up to £10k	At least one quote
Over £10k – under £25k	At least two quotes
Over £25k -under £100k	Three quotes attached to PO request
£100k and over	Formal process (College or Consortium run)

The threshold requiring a tender to be conducted through the Government Find a Tender service (FTS) is set by the UK government and reviewed every 2 years. As at January 2026 the thresholds **including VAT** were:

2023-2024	Supply, Services and Design Contracts	Works Contracts
Mandatory FTS Tender	£207,720	£5,193,000

Value	Authority for Approval
Up to £1,000	Budget Holder *(with exception of IT procurement which requires IT Director approval)*
£1,001 - £5,000	Director/Finance Manager/Management Accountant
£5,001 - £10,000	Financial Accountant, Group-level Directors who are Members of GLT & SLT,
£10,001 - £50,000*	Group Director of Finance
£50,001 - £100,000 *	Chief Financial Officer or in their absence, Deputy CEO/Deputy principal
£100,000 - £250,000	Chief Executive Officer
£250,000 to £500,000 *	Resources Committee if not already agreed by the Corporation and within budget.
>£500,001 *	Corporation (Supply, Services and Design Contracts) if not already agreed by the Corporation and within budget.
>£4,447,447 *	Corporation (Works Contracts) if not previously agreed and within budget.

Note: * ***The above figures are exclusive of VAT and apply to the total lifetime contract value of any financial commitment i.e., IT procurement over several years are a cumulative commitment made today.***

Definitions

Quotations: Quotes sought need to be assessed against timeliness, administrative burden and cost to SHCG or persistent aggressive sales targeting

Soft market testing: research into suppliers and their prices. E.g., web searches, phoning suppliers, peer recommendations. It includes testing commercial market capabilities of meeting a set of requirements such as identifying whether there are enough interested suppliers to maintain competitive pressures.

Closed Tender: selected organisations are invited to submit a tender following soft market testing, or using the knowledge of the sourcing manager of the suppliers available in the market or use of approved purchasing consortium (e.g. CPC, SUPC)

Restricted Tender: Two stage pre-qualification and tender regime

Specific procurement waiver exemptions to standard terms above.
The requirement to follow the procedures set out above can be waived in exceptional circumstances, for example:

1. Where there is no genuine competition.
2. Where the requirement is distinctly necessary to a particular supplier for strategic, contractual/operational or technical reasons.
3. Where the continuity of design or supply is the overriding factor.
4. Where there is other commercial advantage.
5. Where 'preferred supplier' status exists.
6. For Special Arrangements delegation to sub committees as agreed by the Corporation

The above waivers are all subject to extant procurement law and in demonstrating as far as practical best value for money regards price, quality, reputation, deliver and reliability.

The procedures can only be waived with the express prior authority of the Chief Financial Officer or Chief Executive Officer.

Preferred/ established suppliers:

Where SHCG has existing business relationships with known suppliers that have a track record of performance (delivery, quality, price) SHCG might in some instances, if deemed appropriate, obtain a single quotation from these 'preferred suppliers' for procurement purposes.

Where preferred suppliers are in place, records of rationale for 'preferred' use will be reviewed on an annual basis by the Resources Committee.

Public Procurement Frameworks:

SHCG can use any recognised Public Procurement Framework that is either HE/ FE or recognised for any Public Body to use. This can include the following frameworks:

1. Crescent Purchasing Consortium
2. Southern Universities Purchasing Consortium
3. London Universities Purchasing Consortium
4. Northwestern Universities Purchasing Consortium
5. HEPA – Higher Education Procurement Association

It is usually the norm that such Frameworks are compliant with procurement regulations, and SHCG will always opt where possible to use a compliant framework route rather than elect to run its own procurement process (unless as a business necessity where the framework does not support our requirement).

Leasing Purchasing

For recurring high spend items of over £100,000 such as on PCs/ Macs/ printers/ peripherals and telephony SHCG recognises lease procurement as an option. SHCG can thus enter into lease purchase agreements of 1, 2, 3 and exceptionally 5 years depending on the useful life of the items and the best commercial terms available. Any requirement to consider lease purchasing must obtain prior approval by the Chief Financial Officer. Quotations and Authorities as per Appendix A or B of the Financial Regulations must still apply.

SHCG will also reserve the right to purchase outright where it is cost effective or more appropriate to do so. The general procurement practices and waivers exemptions will apply as appropriate.

Subcontracting

SHCG needs to follow the requirements for subcontracting as laid out by the ESFA when working with subcontracting partners/ training providers in delivery of education.

Reactive/ Emergency Health & Safety needs

Where SHCG encounters an unexpected Health & Safety incident SHCG waives the right to comply with normal procurement practices where such spend is necessary for the legitimate interests of business continuity, staff and student safeguarding and welfare.

Related Parties

Where there is a possible conflict of interest in potential procurement with a related party (a member of staff or a Governor) the interest will be declared upfront and any relationship subject to the Declaration of Interest policy to cover such events.

(*South Hampshire College Group Instrument and Articles of Government do not expressly forbid any such payments but do require all Governors and Staff to declare fully their interests via publicly available registers and, to support that, SHCG has a Conflicts of Interests policy)*

Special Arrangements

In exceptional circumstances, the Financial Regulations will allow, with prior approval by the Corporation and for a definitive time period only, appointed sub committees to act on behalf of the Corporation for matters of business as defined in specific set Terms of Reference.

Purchase Order Exemptions

The following items are exempt from the formal Purchase Ordering process due to their recurring nature and, or, uncertainty in predicting exact purchase cost amounts. The list below is not exhaustive, and SHCG reserves the right to consider the appropriateness of the transaction in determining if a PO is needed.

Sometimes a Purchase Order will not be raised for a purchase if expedience is the priority in procuring the goods, but full details of financial commitments made should be clear in absence of a formal PO.

- Exam and registration fees
- Utility costs
- Disbursement of Student Support Funds
- Catering provisions - food supplies and consumables
- Agency staff
- Items costing less than £50

Other exemptions can be approved by the Chief Financial Officer.