University Centre Peterborough

University Centre Peterborough Financial Regulations 2026/27

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1. Introduction

1.1 Background

University Centre Peterborough is a wholly owned subsidiary of Inspire Education Group, set up to operate the higher education arm of group activities. It has exempt charitable status and is governed by the provisions of:

- The Education Acts (as defined in section 578 of the Education Act 1996) and any subsequent education acts
- The Further and Higher Education Act 1992, as modified by the Learning & Skills Act 2000
- Office for Student Regulations

The financial transactions within University Centre Peterborough (UCP) are limited to those required to undertake higher education operations within the Inspired Education Group (IEG).

These financial regulations cover the operations of UCP to the extent that the transactions are delegated to UCP under the Articles of Association. This document, available on the UCP website, lists in Appendix 1 those financial matters reserved for the IEG Board, which are then governed by the IEG Financial Regulations. These UCP Financial Regulations are designed to support the overall system of governance.

1.2.1 Applicability

These apply to Directors and employees of IEG, to the extent that they are resourcing or enacting the financial transactions of UCP as a separate company.

1.2.2 Standards of Behaviour

Directors of UCP have a duty to act, and to be seen to act properly in the conduct of UCP business.

1.2.3 Delegation of powers and duties

Subject to any statutory limitation and any specific limitation(s) contained in these Regulations, the Directors may choose to delegate a power or duty under these regulations to employees of Inspire Education Group. However, ultimate responsibility remains with the Directors as a whole.

1.2 Equality & Diversity Impact Statement

The regulations, if applied fairly, should have no adverse impact on equal opportunities.

Having reviewed the policy UCP recognises the need to provide additional training to agency staff so they recognise their responsibilities and are more aware of the regulations.

2. Status of the Financial Regulations

The UCP Council approved this document on 25th June 2026. These financial regulations set out UCP policy relating to financial control.

These Financial Regulations set out the responsibility for financial management. Reference should also be made to the IEG Financial Procedures, which provide detailed guidance for the financial management of the organisation.

Compliance with the Financial Regulations and Financial Procedures are compulsory for all staff connected with UCP. A member of staff who fails to comply with the Financial Regulations and Financial Procedures may be subject to disciplinary action under the IEG Group Disciplinary Policy.

The UCP Council/Board of Directors are responsible for maintaining a continuous review of the financial policies and advising the Corporation of any additions or changes necessary. These Regulations may only be amended on approval by the Directors.

3. Financial Control

3.1 The UCP Council/Board of Directors

The Council's financial responsibilities are to:

i. ensure the solvency of the organisation;
ii. ensure the effective and efficient use of resources;
iii. ensure that the financial control systems are in place and are working effectively;
iv. approve the annual estimates of income and expenditure and to approve the annual financial statements;
v. accept the appointment of the internal and financial statements auditors as auditors for UCP.

3.2 Audit Requirements

3.2.1 General requirements

The external auditors and internal auditors shall have authority to:

- Access the premises at reasonable times;
- Access all asset records, documents and correspondence relating to any financial and other transactions of UCP;
- Require and receive such explanations as are necessary concerning any matter under examination;
- Require any employee of UCP to account for cash or any other College property under his/her control;
- Access records belonging to third parties, such as contractors when required.

3.2.2 External Audit

UCP will be audited by the incumbent IEG external auditors; these being appointed and re-appointed in line with IEG Financial Regulations.

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

3.2.3 **Internal Audit**
UCP will be audited by the incumbent IEG internal auditors; these being appointed and re-appointed in line with IEG Financial Regulations.

3.2.4 **Other Auditors**
UCP may, from time to time, be subject to audit investigation by external bodies such as funding bodies, National Audit Office, European Court of Auditors, HM Revenue & Customs and the Inland Revenue. These bodies will be deemed to have the same rights of access as the financial statements and internal auditors.

3.3 Senior Managers or staff with financial responsibilities

3.3.1 **Directors**
The Directors shall demonstrate their oversight of financial matters by signing the Directors Report, the Statement of Corporate Governance and the Balance Sheet, within the annual financial statements, and the recommendation for approval of the annual budget.

They are responsible for ensuring an effective system of internal financial control is maintained and operated. This responsibility cannot be delegated.

3.3.2 **Accounting Officer**
The IEG Chief Financial Officer holds the role of Accounting Officer at UCP. They are personally responsible for safeguarding the public funds for which they have charge; for ensuring propriety, regularity, value for money and feasibility in the handling of those public funds; and for the day-to-day operations and management of UCP.

3.3.3 **Other Staff**
Financial transactions shall be undertaken by the IEG finance team, with day to day financial administration is controlled by the IEG Group Director of Finance. The IEG Group Director of Finance is responsible to the UCP Council for:

- cash flow management;
- preparing annual revenue budgets and financial plans;
- preparing accounts, management information, monitoring and control of expenditure against budgets and all financial operations;
- preparing the annual accounts and other financial statements and accounts which UCP is required to submit;
- presenting the accounts to the UCP Council for recommendation for approval to the IEG Board;
- providing professional advice on all matters relating to financial policies and procedures;
- day to day liaison with internal and external auditors and legal advisors.

3.4 Financial Planning and Budgeting

3.4.1 **Financial Plans**
The IEG Finance Team are responsible for preparing annually a rolling five-year Financial Plan for approval by the Directors and the IEG Board.

Before the beginning of each financial year, the budget shall be prepared under the direction of the IEG Group Director of Finance, for subsequent submission to the UCP Council for their consideration and recommendation for approval to the IEG Board.

3.4.2 **Budget preparation**

The IEG Finance Team are responsible for preparing annually a revenue budget. The UCP Council will determine, by resolution, the recommendation of the budget.

The budget shall include an income and expenditure account and a projected year-end balance sheet.

During the year, the IEG Finance Team are responsible for submitting revised budgets as appropriate to the Council for consideration.

3.4.3 **Financial Information**

The budget holders are assisted in their duties by management information provided by the IEG Finance Team.

The IEG Finance Team is responsible for supplying budgetary reports on all aspects of the company's finances to the UCP Council.

3.5 Accounting Arrangements

3.5.1 **Financial Year**

The UCP financial year will run from 1 August until 31 July the following year.

3.5.2 **Basis of accounting**

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

3.5.3 **Format of the accounts**

The accounts are prepared in accordance with current UK Company Law, and the applicable OfS Accounts Direction.

3.5.4 **Basis of consolidation**

The financial statements are consolidated into the financial statements of Inspire Education Group.

3.6 Asset Management - Capitalisation and Depreciation

Land and Buildings

All acquisition or disposal of assets of land or buildings, or any alienation of leases of licences, or any grant of leases or licences, requires the consent of the UCP Council and with reference to OfS requirements where government funded assets are involved.

A register of all assets of land and buildings held by IEG on behalf of UCP is maintained by the IEG Finance Team

The IEG CEO is responsible for the arrangements for the safe custody of the deeds in respect of land and properties.

3.6.1 **Equipment**

Capital expenditure on equipment is money spent on an item which is not immediately consumed but has a useful life in the business of over 12 months and has a value, including VAT, in excess of £5,000.

All requisitions for Capital Expenditure must be authorised by the IEG Chief Financial Officer.

Equipment finance leases are regarded as Capital Expenditure. All such leases with a value exceeding £50,000 or £4,100 per month must receive the prior approval of the UCP Council.

The approvals given are for the maximum expenditure on the item/s and must not be exceeded.

All capital assets will be recorded on the Asset Register. This includes items donated or held on trust with a value of £5,000 or more.

Operational managers are responsible for establishing adequate arrangements for the custody and control of all equipment, stocks and stores within their departmental control. Operational managers must ensure that local records are kept of items of equipment with a purchase cost below £5,000.

3.6.2 **Physical security of equipment**

A periodic audit of the capital equipment will be undertaken against the details held on the Central Asset Register. Individual items with a cost of £25,000 or more will be verified annually and other items will be verified by way of sample spot checks carried out on a cyclical basis as determined by the IEG Finance Team Each asset will be allocated an asset identification number which will allow it to be identified.

The IEG Senior Financial Accountant will monitor the security of the assets recorded on the Central Asset Register.

Operational managers must arrange for regular inspections and stock checks to be carried out. Where a deficiency of a capital asset occurs the Senior Financial Accountant should be advised immediately, who will investigate the deficiency and make a report of any losses to the IEG Chief Financial Officer.

Operational Managers can dispose of surplus or obsolete materials, stores or equipment, with the aim of achieving the best price. Any disposal must be in line with the IEG disposals policy and approved in advance by the IEG Chief Financial Officer.

If capital equipment is loaned to persons other than UCP users a dated receipt signed by the borrower must be obtained.

No capital equipment is to be removed from premises without the prior written permission of the appropriate Director, with the exception of laptop computers.

The IEG IT department will be responsible for authorising their issue and/or maintaining a log of issues to and returns by staff.

Where capital equipment is kept beyond its expected life span, it will remain on the Asset Register as an inventory item for insurance purposes until the IEG Senior Financial Accountant is notified of its disposal.

3.6.3 **Purpose of Asset Register**
The Asset Register of Capital Equipment is maintained to:

- Make proper provision for asset depreciation
- Help calculate new capital investment requirements
- Assess insurance risk provision based on current replacement values.

Equipment finance leases are regarded as capital items and must be approved in accordance with capital procedures. In addition, leases must also be approved as set out in these regulations.

3.6.4 **Depreciation**
All items will be depreciated on a straight-line basis over a period depending on the type of asset in accordance with the accounting policies in place across the Group.

3.6.5 **Transfer of Assets**
When an asset is moved from its recorded location or ownership the Senior Financial Accountant must be informed.

3.7 Accounting Records

Records
All records are retained in accordance with the IEG GDPR Policy.

Financial Records
All records are to be kept at a secure location.

The IEG Finance Team is responsible for ensuring the retention of financial documents in a form acceptable to the relevant authorities.

Financial records shall be retained as follows:

Accounts etc.	**Period of Retention**
Signed Accounts	Permanently
Auditors Reports	Permanently
Accounting Records	6 years

Accounting Records - Prime documents include:
- official purchase orders
- paid invoices
- accounts raised
- bank statements
- copies of receipts
- paid cheques
- payroll records

In respect of records and information maintained on the IEG IT systems, the Group has in place an effective IT security covering access to systems and data protection.

3.8 VAT

UCP is VAT registered, and is part of the IEG VAT Group

4. Fraud and Irregularity

4.1 Background

UCP is committed to ensuring the highest standards of propriety in all its activities as well as to delivering a high-class service. UCP will adhere to the Fraud and Anti-Bribery policies of IEG.

4.2 Detection of Fraud and Irregularity

All members of staff, management and the Council, have a responsibility in the detection of fraud and irregularity. UCP members of staff should follow the IEG Financial Regulations in any instance where fraud or irregularity is suspected.

4.2 Employee disclosures "Whistleblowing"

UCP staff with follow the IEG policy outlining the approach to employee disclosure or 'Whistleblowing' when working for UCP or IEG.

The aims of the policy are to:

- provide a channel and process for individual employees to raise genuine and legitimate concerns about serious incidents of misconduct or malpractice;
- give a commitment that misconduct and malpractice are taken extremely seriously;
- ensure confidentiality and freedom from reprisal for staff raising concerns;
- allow UCP to investigate those concerns and to take appropriate action to resolve the situation.

The UCP Council has committed itself to tackling misconduct and malpractice by implementing and adopting a code of conduct and register of interest, which is regularly updated.

5. Delegation of Authority

5.1 Background

For UCP to operate on a day-to-day basis, sufficient funding must be provided into UCP bank accounts via transfers undertaken on behalf of UCP by the IEG finance team.

5.2 Overriding Principles

Decisions with a financial dimension must only be taken within the individual's delegated level of authority.

The levels of authority do not just apply to expenditure but also to the supply of goods or services by UCP to a third party.

Please note:

1. Contracts and/or projects must not be artificially subdivided to avoid the agreed level of authority.

2. Financial values should always include VAT.

3. The delegation of authority does not preclude the necessity of adhering to the regulations regarding competitive quotations and public tenders.

4. The authority to enter into a financial commitment does not override the duty Directors and employees have to ensure that the commitment is consistent with and necessary for the pursuit of the UCP's aims and objectives.

5. The person authorising commitment must ensure that it is a valid charge on UCP and that adequate (budgeted) funds exist to meet the commitment.

5.3 Levels of Authority

Levels of Authority that are delegated by the UCP Council can be found within the Appendix 2.

The delegated financial limits are reviewed on an annual basis by the IEG Chief Financial Officer, in their role as Director of UCP. Any changes will be approved by the UCP Council.

6. Banking

6.1 Appointment of bankers

The UCP Council is responsible for the appointment of the organisation's bankers on the recommendation of the Council.

6.2 Banking arrangements

6.2.1 **Bank Accounts**

The IEG Chief Financial Officer is responsible, on behalf of the Council, for liaising with the Company's bankers in relation to the Company's bank accounts.

The opening or closing of bank accounts must be conducted in line with the agreed bank mandate. All bank accounts shall be in the name of University Centre Peterborough.

All automated transfers on behalf of UCP, such as BACS or CHAPS, must be authorised in the appropriate manner and on the basis approved by the Council. Details of authorised persons and limits are included in Appendix 3.

CHAPS payments will not normally be made and any exception must be approved by the IEG Chief Financial Officer.

The IEG Chief Financial Officer is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

6.2.2 **Money Receipts**

All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous departmental expenses or be paid into the departmental petty cash float. Personal or other cheques must not be cashed out of money received on behalf of the UCP.

7. Income

7.1 General

The IEG Finance Team are responsible for ensuring that appropriate procedures are in operation to enable the Company to receive all income to which it is entitled.

The IEG Finance Team are responsible for the security and prompt banking of all monies received.

Monies due to UCP from external organisations shall be requested on UCP invoices issued by the Finance Department. Other members of staff are not permitted to deal directly on this matter unless they have written authorisation from the IEG Chief Financial Officer. Such procedures must ensure:

- All students are enrolled
- All income is accounted for
- Accounts for income due are raised promptly
- All income collected is held securely and banked promptly and intact

The IEG Finance Team are responsible for the prompt collection, security and banking of all income received.

The IEG Finance Team are responsible for ensuring that all grants notified by UCP's Funding Body and other bodies are received and appropriately recorded in UCP's accounts. He/she is also responsible for ensuring that all claims for funds, including grants and contracts, are made by the due date.

7.2 Level of Charges

The Fees Policy should be approved by the UCP Council annually.

Authority to run short self-funding non-accredited courses (including the level of fees) lies with the IEG Executive Team, who can devolve this authority to the IEG Vice Principal for Apprenticeships and Higher Education for changes to existing provisions. All other courses must go through the normal course approval process.

7.3 Course Provision and Student Numbers

The planning and control of learner numbers and course provision is the responsibility of the IEG Vice Principal for Apprenticeships and Higher Education.

The planning, registration, monitoring, control and reporting shall be carried out in accordance with UCP policies and procedures.

7.4 Tuition Fees

The IEG Vice Principal for Apprenticeships and Higher Education shall be responsible for ensuring compliance with their section of the enrolment and tuition fee procedures and for verifying students' eligibility to attend courses in their areas of curriculum responsibility.

The IEG Vice Principal for Apprenticeships and Higher Education shall be responsible for maintaining a complete record of students attending UCP in order that appropriate fees and charges shall be levied.

The IEG Finance Team must ensure the early and efficient invoicing of learners, employers and sponsors, and receive the correct funding for each learner from the Student Loans Company.

The tuition fee and registration fees payable for a course are due for payment in full by the student at enrolment except in those cases where a sponsor acceptable to IEG has taken responsibility for the payment of fees in writing.

In appropriate circumstances a student may be permitted to agree a deferral payment or an instalment arrangement. Such arrangements must be in accordance with guidelines issued by the IEG Chief Financial Officer.

A learner may apply for a refund of tuition fees in certain circumstances. IEG refund guidelines are covered by the Refund Policy.

7.5 Full Cost Courses

A full cost course will not attract any external funding.

Full cost courses are under the control of the IEG Vice Principal for Apprenticeships and Higher Education.

Courses or conferences organised by members of staff must be costed and agreed with the IEG Finance Team and Vice Principal for Apprenticeships and Higher Education before any commitments are made. Pricing of such courses will be in line with the annual Fees Policy. The costing of the provision must include both direct and indirect costs in accordance with IEG's policy. All courses must be self-financing or surplus generating unless it is intended that a new course is to be launched as a loss leader.

7.6 Monitoring Income

The IEG Chief Financial Officer shall be notified immediately of any new sources of income due to IEG and any accounts arising should be rendered promptly.

The IEG Finance Team shall control the procedures for the recovery of outstanding debts.

8. Treasury Management

8.1 Investment

UCP will hold any cash balances in the main account or reserve account. It is not thought that consideration of investments will be needed within the review period of this document. This position will be reviewed at least annually.

8.2 Borrowings

No borrowings will be made by UCP.

9. Payroll Related Expenditure

9.1 Payroll

9.1.1 Remuneration Policy

All staff within UCP are employed by IEG and contracted to UCP.

Annual inflationary pay awards will be applied in line with IEG pay awards, based on affordability.

9.1.2 Salaries and Wages

The IEG Payroll & Pensions Manager is responsible for all payments of salaries and wages to staff, including payments for overtime or services rendered.

The IEG Payroll & Pensions Manager shall be responsible for keeping all records relating to payroll including those of a statutory nature.

9.2 Pensions

The IEG Board, being the substantive employer, is responsible for undertaking the role of employer in relation to appropriate pension arrangements for UCP staff.

The IEG Payroll & Pensions Manager is responsible for day-to-day pension matters including:

- paying of contributions to various authorised pension schemes;
- preparing the annual return to various pension schemes.

10. Travel, Subsistence and other allowances

10.1 Background

A copy of the IEG Expenses Policy can be found on the Group's internal website (intranet).

10.2 Travel, Subsistence and out-of-pocket expenses

All UCP staff are subject to the policy arrangements within the IEG Group. In general, staff can claim expenses when:

- The reimbursement of actual expenditure incurred wholly and exclusively on UCP business and be in accordance with the rates set by the IEG CEO
- Full particulars and reason for incurring the expenditure must be shown
- Accompanied by supporting vouchers or receipts for the cost of travel, accommodation, food and other items of expenditure
- In respect of vehicles which are adequately insured and comply with IEG's procedures with respect of use of vehicles where an owner's vehicle is being used for travel on college business
- Subsistence expenses will only be paid where the employee is required to be away from their normal place of work.

11. Contracts for goods and services

11.1 Background

The limits of authority, as detailed in these Financial Procedures, apply to all contracts to provide goods and services to UCP.

11.2 Procurement Policy and Procedures

The IEG Procurement Policy shall apply to all UCP purchasing. It provides full details to all staff in order that all purchasing activity on behalf of IEG can be undertaken in line with the IEG Policy and Government public sector purchasing requirements.

11.3 Business Gifts & Hospitality

The Bribery Act 2010 came into force on 1 July 2011. The Act introduced offences for acts of bribery by individuals, or persons associated with relevant organisations. IEG's Anti-Bribery Policy applies to UCP and can be found in the 'Policies' section of the intranet. 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.

11.4 Management and administrative services

IEG supplies back office and management services to UCP, at an agreed cost each year. The cost is based on a fixed contribution rate, and where relevant volume related activity. The values are agreed as part of the budget setting process annually. The scope and standards of the service are agreed between UCP and IEG and reviewed periodically.

11.5 Debt Write Off/Refunds/Credit Notes

UCP will utilise standard credit control procedures in recovering legitimate debt to the Group. If all internal processes are exhausted IEG will refer the debt to the incumbent Debt Collection Agency if the total debt exceeds £300.

The following approval thresholds apply for credit notes and write offs:

Credit Notes/Refunds up to £1,000	Authorised by IEG Senior Financial Accountant within Group policy
Debt write-offs and discretionary credit notes/refunds up to £3,000	Authorised by Group Director of Finance
Debt write-offs and discretionary credit notes/refunds up to £5,000	Authorised by IEG Chief Financial Officer
Any amounts over £5,000 to £44,999	IEG Finance and Resources Committee
Individual amounts the lower of £45,000 or 1% of turnover	DfE approval
Cumulative values the lower of £250,000 or 5% of turnover	DfE approval

11.6 Novel, Contentious and Repercussive Transactions

Reclassification in November 2022 has resulted in specific approval being required for any transaction that may fall within this definition.

This restriction does not mean that all such transactions are forbidden, only that the college does not have the authority to enter into them without permission from DfE. Consequently, all such transactions must always be referred to DfE for approval, and the request **must** be made before the transaction occurs. DfE may refer such requests to HM Treasury for approval, so colleges should allow sufficient time for proposals to be considered.

Definition - The concept of a novel, contentious or repercussive transactions is described as follows:

- Novel transactions are those of which the college has no experience or are outside its range of normal business.
- Contentious transactions are those that might cause criticism of the college by Parliament, the public or the media.
- Repercussive transactions are those that may have wider financial implications for the sector or which appear to create a precedent.

There is no financial threshold in relation to novel, contentious or repercussive financial arrangements; all such transactions require approval, regardless of value.

UCP must assess these matters objectively: if a transaction could reasonably be considered to be novel, contentious or repercussive, then it must be treated as such.

12 Subcontracting Arrangements

12.1 Background

The IEG Executive Team have agreed an IEG central framework for negotiation and operating any franchise or partnership arrangement. This section outlines that framework and gives guidelines to those staff who may be involved in the agreement and operation of such ventures.

All the documents, procedures and working practices are based upon the recommendations and guidelines outlined by the OfS, being the primary framework.

12.2 The Context of Sub-Contracting Arrangements

The IEG Chief Learning Officer has responsibility for managing and developing partnership and sub-contracting provision for the Group. This is done within the context of the strategic objectives of working in collaboration with partners to identify and meet the Group's strategic and wider community needs.

Franchising/partnership arrangements should be adding to UCP's and IEG's profitability. The financial viability of the franchise/partnership arrangements should be based upon costs of provision and possible funding levels from UCP's Funding Body and/or other sources.

12.3 The Procedure to Agree New and Existing Arrangements

Any new franchise/partnership contracts must be authorised by the IEG Executive Team based on the recommendation of the IEG Vice Principal for Apprenticeships and Higher Education to the UCP Council and the IEG Board.

All existing contracts must be reviewed annually by the IEG Executive Team as part of the budget setting process, based on all round performance of each sub-contractor/franchise partner, and approved by the IEG Board.

All partner programmes must be detailed in an annual contract with the partner.

13. Other

13.1 Insurance

UCP will be insured under a group policy with IEG. The IEG Financial Regulations will detail responsibilities and risk management requirements for determining and providing adequate insurance cover.

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

13.2 Taxation

The IEG Finance Team is responsible for advising on taxation matters, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies to the Group.

13.3 Amendments to the Financial Regulations and Procedures

Amendments to the Financial Regulations may only be approved by the UCP Council and be subject to periodic approval as required.

13.4 Charitable Donations

The IEG CEO, in the role of UCP Director must approve any charitable donations given by UCP.

Charitable donations are regarded as gifts in these regulations. As a charity, there are limited circumstances in which the Group can make gifts which are in furtherance of its charitable purposes, being related to educational activity.

The value of any such gifts must be modest (under £50).

The decision has to be documented, and recorded as a gift.

13.5 Conflict of Interest - Members of the Council and Senior Post Holders

The Code of Conduct deals with Conflicts of Interest. The Code of Conduct established by the Council is binding on Directors of UCP, observers and external members of its committees, on members of the IEG Executive Team and on the IEG Governance Director.

13.6 Special Payments

This section covers:

Compensation payments, which go beyond statutory or contractual entitlement

Ex-gratia, extra-contractual, extra-statutory and extra-regulatory payments

Compensation payments

Compensation payments provide redress for loss or injury, for example personal injuries, traffic accidents or damage to property.

If UCP is considering a compensation payment, it must base its decision on a careful appraisal, including legal advice where relevant, and ensure value for money.

UCP has delegated authority to recommend for approval individual compensation payments, provided any non-statutory/non-contractual element is under £50,000. These must be approved by the IEG Board. Where IEG (on

behalf of UCP) is considering a non-statutory/non-contractual payment of £50,000 or more, DfE's prior approval must be obtained.

Ex-gratia payments and other types of special payment

Managing Public Money identifies a number of other types of special payment:

- **Ex gratia payments** are transactions going beyond statutory or contractual cover, or administrative rules. Annex 4.13 of Managing Public Money provides examples, including payments to meet hardship caused by official failure or delay, and to avoid legal action due to official inadequacy.

- **Extra-contractual payments** are those which, though not legally due under contract, appear to place an obligation on a public sector organisation which the courts might uphold. Typically, these arise from the organisation's action or inaction in relation to a contract. Payments may be extra-contractual, even where there is some doubt about the organisation's liability to pay, e.g. where the contract provides for arbitration, but a settlement is reached without it. (A payment made as a result of an arbitration award is contractual.)

- **Extra-statutory and extra-regulatory payments** are within the broad intention of the statute or regulation, respectively, but go beyond a strict interpretation of its terms.

These transactions must always be referred to DfE for prior approval.

13.7 **Indemnities, Letters of Comfort, and Guarantees**

Indemnities
UCP should assess contracts that contain indemnities and understand whether they are within the normal course of business. In some circumstances independent legal advice before entering into them. IEG should also maintain a contract register, including known indemnity clauses with the necessary assessments.

Directors should provide the appropriate oversight and challenge to the UCP to ensure the appropriate assessments and records management are maintained.

Letters of comfort
UCP should avoid using letters of comfort, however vague, give rise to moral and sometimes legal obligations.

Guarantees
A guarantee is another type of contingent liability. Typically, it is a commitment provided by a guarantor to take responsibility for the debt or performance obligations of another party in the case of that party defaulting on its obligations.

DfE consent is required for indemnities not arising in the normal course of business, for letters of comfort and for guarantees where:

- the case exceeds 1% of annual income or £45k individually (whichever is smaller); or
- the case takes the college's cumulative total of such contingent liabilities for the academic year beyond 5% of annual income or £250k (whichever is the smaller).

APPENDIX 1

Financial Matters reserved for IEG

1. The Company disposing, whether by sale lease or otherwise any of the assets of the Company (for a sum of £100,000 or above) otherwise than the ordinary course of operations of the Company except to the extent provided in the annual operating plan.
2. Buying, leasing or licensing any assets outside the terms of the annual operating plan except for any asset which has a value of less than £100,000.
3. Giving or making any loans, borrowing or credit in excess of £10,000 in aggregate.
4. Giving any guarantee, suretyship or indemnity.
5. Creating any encumbrance, mortgage or charge over the whole or any part of the undertaking of assets of the Company.
6. Entering into any contracts or arrangements outside of the Company's ordinary course of business otherwise than in accordance with the annual business plan or any standing orders made under the Articles or the financial regulations of the Company.
7. Making any arrangement with any revenue authority or the Commission.
8. The approval of the annual business plan of the Company.
9. The approval of the annual budget of the Company.

APPENDIX 2

DELEGATED AUTHORITY LEVELS

1. Supply of Goods or Services to a third party (Income)

Approval for a contract for supply of goods or services by UCP to a third party must be obtained before making an offer and/or quoting a price.

Any Two UCP Directors	**Up to £100,000**
UCP Council	**Over £100,000**

2. Authority levels for expenditure for Petty Cash, Mileage, Travel and Subsistence, Requisitions and Invoices

IEG Vice Principal for Apprenticeships and Higher Education	£10,000
IEG Chief Financial Officer/IEG Chief Learning Officer	£100,000
IEG Chief Executive Officer	£500,000
UCP Council	Above £500,000

3. Contract Signature (full value including VAT) in most instances will remain within IEG, and subsequently the IEG regulations will be used

	Within Budget
IEG Vice Principal for Apprenticeships and Higher Education	£10,000
IEG Group Directors of IT and Estates	£20,000
IEG Chief Financial Officer/IEG Chief Learning Officer	£100,000
IEG Chief Executive Officer	£500,000
Chair or Deputy Chair of the IEG Corporation	Above £500,000

4. Payroll Authorisation

Not Required

5. Redundancy/Severance Payments

Not Required

APPENDIX 3

BANKING AUTHORISATION LIMITS

Individual electronic payments authorised on behalf of the College

Up to £1,000	Any one of the Signatories from: IEG Group Director of Finance IEG Senior Financial Accountant IEG Chief Financial Officer IEG Chief Executive Officer
£1,000 - £10,000	Any two of the Signatories from: IEG Group Director of Finance IEG Senior Financial Accountant IEG Chief Financial Officer IEG Chief Executive Officer
Over £10,000 - £100,000	Any two Signatories from the list above, one of which must be IEG Group Director of Finance, the IEG Chief Financial Officer, or the IEG Chief Executive Officer
Over £100,000	Two Signatories being a combination of Chief Executive Officer and Chief Financial Officer

Intercompany Transfers

Transfers between UCP and IEG in relation to intercompany amounts owed	Any two Signatories from the list above, one of which must be IEG Group Director of Finance, the IEG Chief Financial Officer, or the IEG Chief Executive Officer