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# **Budget Holder Responsibilities**

Below is a quick guide to some of the responsibilities associated with being a Budget Holder relating to authorising expense claims and purchases either via orders, purchasing cards, credit cards or petty cash.

# Purchasing

The Budget Holder:

* Is responsible for income and expenditure appropriate to their budget. (FR11.1)
* Is required, 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. Factors to be considered in determining lowest cost are noted in the financial procedures. (FR19.3) The budget holder may be asked to prove value for money.
* Must ensure that day-to-day monitoring is undertaken effectively. (FR11.1)
* Is required to observe the purchasing policies and financial procedures (FR19.2) relevant to their duties.
* Must notify Financial Systems Support immediately of any changes to the authorised signatories. (FR19.2)
* Must not be a signatory to a contract where he/she also has an interest in the activities of the other party. (FR9.3) Any such interest must be declared to the University Secretary.
* Must, before purchasing any item, check that the item is not held in stock in any of the stores of the University or whether contractual agreements exist for this particular commodity. (PM6.3)
* Is not authorised to commit to expenditure without first reserving sufficient funds to meet the purchase cost (e.g. via a purchase order or requisition). (FR19.2)
* Before signing any requisitions, must ensure that the requisition contains:
  + A clear description of the goods/services required.
  + The appropriate budget code. (PM6.4)
* Must comply with the tendering procedures detailed in the Purchasing Manual (PM22):
  + Under £5,000 – value for money must always be obtained. Quotations at budget holders discretion (FR19.6)
  + From £5,001 to £25,000 –required to obtain at least three written quotations (FR19.6) which must be attached to the order for audit purposes.
  + Over £25,000 – all items require three competitive tenders (FR19.6) which are registered in the tender book held within Financial Services.
  + Where competition is not available a sole supplier form must be completed clearly addressing how value for money has been achieved
  + Items over £156,441 including the cost of consumables, maintenance and disposal for the life of the item must be subject to EU tendering and the Procurement Services Manager should be notified immediately (PM22)
* Authorisation of an invoice or electronic order will ensure that:
  + The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory
  + Invoice details (quantity, price discount) are correct (FR19.11) that it contains a full description of the goods/service and is made out to the University of Huddersfield
  + The invoice is arithmetically correct
  + Discounts receivable are obtained
  + The invoice has not previously been passed for payment
  + Where appropriate, an entry has been made on a stores record or local asset register
  + An appropriate cost centre within the budget holder’s areas of responsibility is quoted and the line of budget/nominal must correspond with the types of goods or service described on the invoice. (FR19.11)
* Where invoices are held up in a department due to a query, the supplier should be notified by letter or email with a copy to the procurement services manager (FR19.11) verbal notification is not acceptable.
* In view of the penalties in the Late Payment of Debts (Interest) Act 1998, the governing body requires that invoices must be passed for payment as soon as they are received. (FR19.16)

# Expense Claim Form

The Budget Holder:

* Is responsible for authorising expense claim forms submitted by members of staff below Budget Holder/Delegate level (EB1) in accordance with the expenses and benefits manual
* Authorisation of such claims shall be taken to mean that:
* The journeys were authorised
* The expenses were properly and necessarily incurred
* Consideration has been given to value for money in choosing the mode of transport
* The allowances are properly payable by the University in accordance with the expenses and benefits manual (FR20.5)

**Particular items to check are:**

* Claim is correctly completed including employee no., dates & times of travel, Town/City visited and reason for visit
* Claim is from and returning to home or work base whichever is nearer to the destination visited and is not for normal commuting
* Claims for mileage are checked to ensure a valid driving licence, adequate insurance and valid MOT
* Subsistence is claimed in accordance with claim form guidance notes
* Alcohol is not being claimed unless as part of business hospitality
* Tips are deducted
* Business hospitality Staff entertaining guests from outside bodies at lunch time should normally use the University’s catering facilities (FR19.18). Where this is not the case, reasons must be stated and claims must include ratio of staff to external visitors/students as well as name and organisation of people for whom hospitality was provided
* Exchange rate is evidenced either by a bank receipt or credit card statement showing transactions.
* The line of budget and cost centre to which the expense should be charged is given
* All receipts are attached and any un-receipted items are not claimed unless from a vending machine (should be stated on the form)
* Signed by claimant