

Leeds Beckett University Budget Management Framework

1. Our budget is approved by our Board of Governors in July of the preceding year. Resource Centre budgets are confirmed immediately thereafter, under the headings set out in Annex 1.
2. Resource Centre budgets will only be revised during the year in exceptional circumstances, to correct errors or omissions, or to reflect agreed transfers of responsibilities, or allocations from our contingency fund. Any changes to the budget headings specified in Appendix 1 will count as a revision for this purpose and will require the approval of Financial Services. Requests should be submitted in writing to the Head of Financial Planning and Reporting.
3. Budget transfers and revisions that are contained within a single resource centre and within a single budget heading will require the approval of the relevant Senior Management Accountant. A register of all approved changes to budgets at Resource Centre level will be maintained in Financial Services.
4. In addition to budget revisions, for each budget heading, Resource Centres will be required to consider and report on any full year forecast variance from the total approved budget for the Resource Centre. Reports should explain each forecast variance and be included in a financial commentary submitted to Financial Services each month as appropriate. In the case of adverse variances, the commentary must explain what corrective actions are being taken to avoid an adverse variance at the overall contribution, net expenditure or capital expenditure level. Financial Services will maintain a register of all forecast variances.
5. Subject to the approval of Financial Services, forecast variances will be incorporated within an agreed forecast which, together with the approved budget and actual income and expenditure, will be included within a Financial Update report to the University Executive Team (UET) each month.
6. A final report showing the outturn position of each resource centre against the budget and last forecast will be presented to UET following completion of all year end action.
7. Throughout the year, to ensure that all expenditure is appropriately authorised, the spending rights of individuals will be controlled in accordance with our budgetary control framework reproduced in Annex 2.

Approved Budget

Resource Centre:

£000

REVENUE BUDGET

Income

- Funding Council Grants
- Tuition Fees and Education Contracts
- Research Grants and Contracts
- Other Income
- Investment Income

TOTAL INCOME:

Expenditure

- Staff Costs
- Other Operating Expenses
- Depreciation
- Interest Payable

TOTAL EXPENDITURE:

Contribution/(Net Expenditure)

CAPITAL BUDGET

- Capital Receipts
- Capital (Payments)

Net Capital Receipts/(Payments)

Annex 2

Budgetary Control Framework

Introduction

1. Robust budgetary control requires a clear and concise budgetary control framework. Responsibilities of individuals must align to our accounting and line management structures if there is to be appropriate accountability.

Budgetary Control Framework Principles

2. Our University operates a system of devolved budget management under which each Resource Centre is assigned a budget and the Resource Centre Manager is responsible for achieving it. Achievement in this context means achieving at least budgeted levels of income and not exceeding budgeted levels of expenditure.
3. To enable Resource Centres to operate efficiently, Resource Centre Managers exercise their responsibility through allocating the entire budget of the Resource Centre to its Subsidiary Budget Centres (SBC), together with the responsibility for the achievement of each SBC's budget to an SBC Manager. The Resource Centre Manager must have line management responsibility for the SBC Manager, and at the same time may be an SBC Manager themselves.
4. To enable SBCs to operate efficiently, SBC Managers will allocate the entire budget of the SBC to its projects, together with the responsibility for the achievement of each project's budget to a Project Manager. The SBC Manager must have line management responsibility for the Project Manager, and at the same time may be a Project Manager themselves.
5. As part of their budget management responsibilities, Resource Centre Managers and SBC Managers are required to monitor the performance of their Resource Centre and SBC respectively, and will be assisted in doing so through the provision of monthly financial reports that compare budgeted and actual financial activity.
6. As part of their budget management responsibilities, Project Managers will be required to approve every financial transaction coded to their project, and will be supported in doing so through access to Agresso approval facilities and project level financial reports that compare budgeted and actual financial performance.
7. A register of all Resource Centre Managers, SBC Managers and Project Managers will be maintained in Agresso, and will be used to determine individual approval rights as well as the nature and frequency of the financial performance reports that will be supplied and made available. The list of Resource Centre Managers and SBC Managers will align with those on our University Organisation Structure (UNIORG) document which details our organisation structure for use by all corporate systems.

8. As well as a Project Manager's approval rights being limited to individual projects, they will also be limited by value, to a maximum £5,000 per transaction. Transactions above this value will also require the SBC manager's approval; transaction items in excess of £25,000 will also require the Resource Centre Manager's approval; and in accordance with our financial regulations, those in excess of £100,000 will require the approval of the Director of Finance . In cases where a Resource Centre Manager is also an SBC manager or where an SBC manager is also a Project Manager, then their approval will be required once only.
9. Within our Agresso approval process, Resource Centre Managers, SBC Managers and Project Managers will be able to nominate Substitutes to cover occasions when they themselves are unable to access approval systems. Substitutes will have the same approval rights, and will normally hold at least the same level of seniority, as the delegator or be a member of the Resource Centre leadership team.
10. Within our Agresso approval process, Resource Centre Managers, SBC Managers and Project Managers will be unable to authorize their own personal travel and expense claims. This task will be undertaken by a supervisor who should be the direct line manager. For Corporate Services Resource Centre Managers, this will be the appropriate Deputy Vice Chancellor and for Deans of School this will be the Head of Financial Planning and Reporting.