



The National Film and Television School

FINANCIAL REGULATIONS

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1.0 Overview

The National Film and Television School (“NFTS”), first established in 1971 by the UK government and film industry, is recognised as the leading film and television school in the UK and is one of the most respected film, television and new media schools in the world.

This document contains the Financial Regulations as approved by the NFTS Executive alongside the Schedule of Delegation of the authority of the Board. The Financial Regulations apply to all financial business of National Film and Television School, its subsidiary and connected charity.

The purpose of the Financial Regulations is to ensure the proper use of finances and resources that not only satisfy the internal controls expected by the organisation but are compliant with the legal or financial obligations of external authorities, such as Government Statutes and Ordinances, Her Majesty’s Revenue and Customs (“HMRC”) and the Office for Students (“OfS”).

The OfS Terms and Conditions of Funding sets out the terms for the payment of funds by the OfS to the Board of Governors of the NFTS. The Board of Governors is responsible for ensuring that OfS grant conditions are met. As part of this process, the School must adhere to the OfS’ Audit Code of Practice¹ which requires it to have sound systems of financial and management control. The Financial Regulations form part of this overall system of accountability and provide practical guidance on our policies relating to internal control.

Compliance with the Financial Regulations is compulsory for all employees or persons connected with the NFTS. Any employee or person connected to NFTS who fails to comply with the Financial Regulations may be subject to disciplinary action. The Heads of Department are responsible for ensuring the effective, efficient and economical use of resources allocated to their cost centre and for establishing that all staff members of their department are made aware of the existence and content of School’s Financial Regulations. The Financial Regulations are available online on the School’s website.

It is important that in any cases of doubt, advice is sought from an appropriate senior officer and/or the Finance Department.

¹ See OfS Terms and conditions of funding - https://www.officeforstudents.org.uk/media/1286/ofs-rfip-b3_ofs-terms-and-conditions-of-ofs-funding-for-heis-to-31-july-2019.pdf

2.0 Legal Status

The National Film and Television School is a company limited by guarantee (Company number 981908) and registered as a charity (Charity Number: 313429). It has existed since 1971, and was granted status as a higher education institution in November 2013, under section 129 of the Education Reform Act 1988. NFTS Scotland is registered in Scotland as a charity with the OSCR² (Charity number SC048472).

The School is VAT registered (VAT registration number 669018708). As a supplier of education and research the School is only able to recover part of the VAT it pays.

By virtue of its charitable status, the School is exempt from corporation tax on its primary purpose activities. It is registered with HMRC (number XN59334) to enable recovery of Gift Aid.

The legal structure of the School is set out below: -

National Film and Television School (Company number 981908; registered charity number 313429).	Registered Charity	Year end 31 July
NFTS Enterprises Limited (Company number 01431773)	100% subsidiary (dormant)	Year end 31 December
NFTS Foundation (Company number 03290399; Registered charity number 1061561)	Connected Charity	Year end 31 December

Legal name of the institution, principal place of business and address for correspondence is:

National Film and Television School
Beaconsfield Studios
Station Road
Beaconsfield
Bucks HP9 1LG

² OSCR – Office of the Scottish Charity Regulator

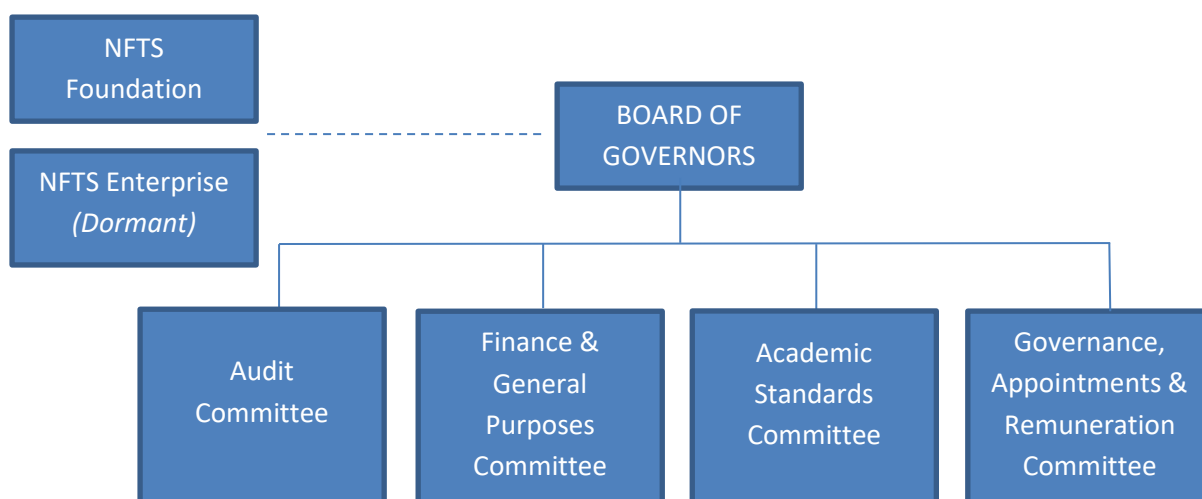
3.0 Governance Structure

3.1 Board of Governors

The Board of Governors (the Board) is the School's governing body, established in accordance with the [Articles of Association](#). The members of the Board are the company directors and charity trustees.

The majority of its members are drawn from outside the School and are referred to as independent members. The Board also includes an elected staff member and a student representative co-opted to the Board.

The Board has a number of [standing committees](#) (below) to oversee particular areas of business. The Board is responsible for exercising the powers of the School as defined in the Articles of Association.



The Board has adopted a [statement of primary responsibilities](#) that is consistent with the model in the Guide for Members of Higher Education Governing Bodies published by the Committee of University Chairs.

The Board has a [Scheme of Delegation](#) in place to record where authority rests within the School for particular types of decisions made in the name or on behalf of the School.

3.2 Executive management of the School

The Director of the NFTS is responsible for the executive management of the School, working through the Senior Management Team and supported by a number of committees.

3.3 Academic Standards Committee

The Academic Standards Committee is the School's principal academic authority. Subject to the responsibilities of the Board of Governors and the Director of the NFTS, the Academic Standards Committee has oversight of academic activities, including: assessment and learning and teaching.

3.4 Scheme of Delegation

The School's scheme of delegation seeks to record where authority rests within the School for particular types of decisions made in the name of or on behalf of the School. It should be read in conjunction with the School's [Articles of Association](#) and Board of Governors' [Terms of Reference](#). No such scheme can be absolutely comprehensive, but, in addition to explicitly locating the locus of authority for specific categories of decision, the scheme also forms a frame of reference through which questions about other types of decision may be resolved. Questions should be referred to the Clerk of the Board of Governors or the Deputy Chair(s) of the Board of Governors.

Note that the schedule purports only to identify responsibility for the final ('ratification') stage of decision-making, and not, for example, responsibility for formulating strategic, policy and business proposals, which typically lies with individual members of the Senior Management Team or School committees.

The [Scheme of Delegation](#) is published on the NFTS website.

4.0 Financial Planning & Resource Allocation

Corporate Plan

A [Corporate Plan](#) is prepared by the NFTS Senior Management Team and approved by the Board of Governors every five-years. Annual corporate objectives are approved each year, summarised as a *Vision, Objectives & Goals* statement (“VOG”).

The VOG sets out the immediate priorities over the next 12 months and the allocation of resources for the delivery of the Strategic Plan and its associated sub-plans.

Financial Plan

A five-year rolling forecasts, aligned to the Corporate Plan and its objectives, is prepared and submitted to the OfS annually on review and approval by the NFTS Board each year.

The five-year forecast is prepared as part of the School's Strategic Planning process in order to:

- (a) identify trends in the School's financial position;
- (b) assess more fully the resource implications of adopting particular strategies to meet the goals set out in the Corporate Plan; and
- (c) safeguard the long term financial management and sustainability of the School by enabling the Senior Management Team to weigh up the probabilities and decide what action may be necessary to counteract any unfavourable factors revealed by the evidence on which the forecasts are based.

5.0 Budget Management & Control

Budgets are approved annually by the Senior Management Team, within the parameters of the financial plan approved by NFTS Board of Governors, as recommended by the Finance & General Purposes Committee.

In allocating resources, due weight is given to anticipated total expenditure for the current financial year together with aspirations for redirection of resources arising from School's 'Strategic Plan' and bids for resources submitted for consideration by the Directors.

All resource allocation considerations should be made in the light of their effect on the School's financial forecasts.

Annual budgets and reforecasts are prepared in line with the financial year, with curriculum performance consolidated on this basis.

Departmental budgets (Curriculum)

Curriculum (teaching) budgets are prepared and monitored on a January to December basis, in line with the academic year. This enables curriculum staff to monitor performance through the lifecycle of the academic year.

Curriculum planning meetings (involving all Heads of Departments) to discuss content and schedules, are held between July and September. Based on these discussions, first draft Curriculum budgets (for the MA departments) are drawn up in October. Curriculum budgets are then discussed with the Senior Management Team (October to December). Follow-up meetings are held with Heads of Department, where necessary, to realign departmental budgets within available funding.

Curriculum budgets for the academic year are approved by Senior Management Team in December and distributed to Heads of Departments and associated Co-ordinators. The same principles as the above are applied to the diploma and Certificate courses (but with varying start dates, durations and contribution margins).

Departmental budgets (Non-curriculum)

All non-curriculum (non-teaching) budgets are monitored on an August to July basis, aligned to the 31 July financial year end. The half-year results for the year are used as the basis for the full year out-turn and projection for the next financial year. Budget holder input on material changes, positive and negative, is sought to inform future year budgets.

Capital Expenditure

The proposed Capital Programme is prepared annually by the Senior Management Team, in consultation with Heads of Departments, alongside the revenue budget for presentation to the Finance & General Purposes Committee in May/June.

It should be noted that fixed assets are capitalised but the minimum value applied per item is £1,000 or to such value as recommended by the Audit Committee.

Consolidated five-year forecast

The first draft consolidated budgets are prepared by the Management Accountant in March/April and reviewed by the Finance Director and Head of Financial Reporting & Projects. The proposed budgets are then discussed with the budget holders and any amendments

required to the first draft actioned.

A second review is undertaken with the School Director, and amendments made accordingly in April/May.

A final budget is presented to the Finance & General Purposes Committee and Board of Governors meetings for approval in June. The final budget is consolidated into the five-year forecast submitted to the OfS annually.

The Management Accountant enters the budgets to finance system at the start of the year, in August, and the approved budgets are then distributed to the budget holders.

Budget Holders Responsibilities

Budget holders are responsible for the day-to-day management of the budgets they hold. They are accountable for such management to the director who have executive control over the relevant area of activity.

Budget holders will normally be personally responsible for authorising expenditure against the budget (although authority may be delegated with the approval of the Director responsible for that budget area).

Budget holders are responsible for preparing and monitoring budgets under their control and to notify the Finance team of both actual and potential material negative and positive variances as soon as information becomes available. A budget holder is also required to:

- (a) monitor expenditure and maintain records of outstanding purchase orders and known future items of unavoidable expenditure to ensure that the total budget for the year is not exceeded;
- (b) provide information to the Finance team on the most likely outturn for the year (on both income and expenditure budgets) to assist the preparation of accurate financial forecasts;
- (c) report as soon as possible to the Director responsible for the budget area, and the Finance Director, if it is foreseen that the budget for the year (either expenditure or income) will be subject to a variance of +/- £5,000;
- (d) ensure that purchasing procedures are carried out in accordance with the School's **Procurement Policy** (see **section 5.2.1**); and
- (e) monitor performance of suppliers and advise on alternatives where appropriate cost reductions/efficiency gains may be made.

Balances from budgets may not be carried forward into subsequent years unless in specific circumstances that have been approved by the Finance Director.

Financial Records

All original accounting records must be retained for six years.

5.1 Income

5.1.1 Student Fee Policy

The School is committed to a transparent policy for the charging and payment of fees and is mindful of its obligations under consumer protection law.

The School charges fees for all its courses of study. This policy applies to the School's two-year Masters (MA) Degrees, as well its diplomas, certificates and short courses, amongst others. Fees are updated annually on approval of the annual budget by the NFTS Board. Course fees are set out in students' offer letters. The School commits that they will not change the fees for the duration of a course after a student has accepted an offer of a place on that course.

The full [Student Fee Policy](#) is published on the NFTS website.

5.1.2 Grants Policy

Revenue government grants and recurrent grants from the Office for Students are recognised as when the School is entitled to the income and performance-related conditions have been met.

Non-recurrent grants from the Office for Students or other government bodies received in respect of the acquisition or construction of fixed assets are recognised as deferred income within creditors and amortised in line with depreciation over the life of the assets.

Other grants and donations from non-government sources are recognised when the School is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred and released in line with such conditions being met.

5.1.3 Donations Policy

The School Director co-ordinates and reports on all philanthropic fundraising across the School. This function is important and central to the School's plan to significantly increase income from the private sector and therefore create a sustainable and growing fundraising culture to support the School's vision.

The School's policy regarding [donations and philanthropic fundraising](#) is available on the NFTS website. It is relevant to all members of staff and provides information, including contact information, relating to identification and proper accounting procedures for donations.

5.1.4 Anti-Bribery Policy

The Bribery Act 2010 ("Act") is a single comprehensive code in relation to Bribery and Corruption. The Act places responsibility on organisations as well as the individual. The Act has a wide geographical reach and potentially covers acts in any country in the world. The Act also covers the acts of agents, associates or other third parties acting on behalf of the organisation. The penalties are severe, with potentially unlimited fines and the possibility of imprisonment up to a maximum of 10 years for individuals, as well as unlimited fines for organisations.

Bribery can be defined as the receiving or offering of undue reward by or to any person whatsoever (whether in a public office, a private employee, colleague or representative of

another organisation) in order to influence his/her/their behaviour and to incline them to act contrary to known rules of honesty and integrity. The bribe does not need to be paid or given to the actual person who is acting contrary to such rules of honesty and integrity.

The Act creates the following offences:

- Promising or offering a bribe;
- Requesting, agreeing to receive or accepting a bribe;
- Bribing a foreign public official; and
- A corporate offence of “failure to prevent bribery” by “persons associated” with an organisation.

The first three offences above may be committed by individuals or organisations, but the fourth offence can only be committed by an organisation.

The School’s [Anti Bribery policy](#) is available on the NFTS website.

5.1.5 Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes.

Restricted funds are held separate to unrestricted funds, usually in a nominated bank account, and recorded in a balance sheet ledger code so they are easily identifiable. All correspondence with the donor and contracts are held on file to provide evidence of the total of the restricted fund and the restrictions as to how the fund can be used.

Sufficient resources are to be held in an appropriate form to enable each restricted fund to be applied in accordance with the restrictions. All interest earned on restricted funds is allocated to the appropriate fund.

To access restricted endowment funds the NFTS must be able to demonstrate to the donor and/or Board of Governors that all specific restrictions and criteria have been met to allow the use of the funds.

5.1.6 Debt Write-off

Appropriate controls and procedures are in place to enable the School to collect income and fees due effectively. Unfortunately there may be times where agreements are not honoured, or circumstances change such that income and fees may not be fully recoverable.

Where the School has exhausted all avenues to recover an outstanding fee or debtor balance, the School may look to write off the debt.

Procedure

All outstanding tuition fee and other debtor balances are reviewed with the Registrar on at least a termly basis. The majority of outstanding income is recovered through the School’s Credit Controller through direct contact with the debtor, although recourse to legal action or passing the debt to an external agency may be appropriate in some circumstances. Where the School has exhausted all avenues to recover the debt, the Credit Controller may recommend that the fee or debtor balance is written off as irrecoverable.

Any debt write off may only be made with the written permission of the Finance Director in consultation with the School Director and Registrar, as appropriate.

Individual debts greater than £50k must be approved by the NFTS Board Chair or Deputy Chair, in line with the [Delegated Scheme of signing authority](#).

5.2 Expenditure

5.2.1 Procurement Policy

Procurement is the process whereby organisations acquire goods, services and works. The procurement process spans a life cycle from identification of the need, through the selection of suppliers, to post contract award management, including disposal. Effective procurement includes the delivery of value for money, appropriate quality and services to meet business needs, and appropriate governance.

All procurement within the School shall be carried out in accordance with legal requirements, and NFTS Policies and Procedures. It is the responsibility of the Senior Management Team to show that adequate policies, procedures and checks are in place to carry out that requirement and to demonstrate its effectiveness.

Procurement for the NFTS (which includes the acquisition of all goods, works and services), must always be undertaken with the objective of securing value for money.

This policy does not cover the procurement of visiting tutors, which is monitored by HR.

Scheme of delegation

All budget holders have approval limits up to which they may contract without need for secondary approval (usually up to £5,000).

Where a contract, either per annum or cumulatively over the life of the contract, exceeds the budget holder's approval limit, the approval thresholds below come into effect, in line with the School's Scheme of delegation set out below:

	School Director with Finance Director Approval	NFTS Board Chair or Deputy Chair approval	NFTS Board approval*
Budgeted Expenditure	Up to £50,000	£50,001 to £250,000	£250,001 & above
Unbudgeted Expenditure	Up to £25,000	£25,001 to £250,000	£100,001 & above

**Unless delegated to a sub-Board Committee*

Procedure

It is the responsibility of budget holders to ensure that procurement requirements are complied with. Cases for departure from the Procurement Policy via a Single Tender Action requires the prior approval of the School Director or Finance Director and requests for such departure³ must be submitted in advance to allow sufficient time for review before the event.

A flow chart at the end of this policy summarises the procurement and approval process.

³ A full tender exercise may not apply in the event that there is a strong business case not to approach multiple providers, for example where the School may have a longstanding relationship with a single supplier and may access exclusive or favourable terms or there are limited providers, such as in the case of technical equipment. Approval in such circumstances must be confirmed in advance and in writing by the School Director or Finance Director (Single Tender Action).

Key requirements when procuring goods or services, and in particular where in excess of approvals limits set out in the School's Scheme of Delegation, are: -

- Normally a minimum of three quotes
- Confirmation that the proposed contractor meets the requirements of the specification
- Confirmation why a proposed contractor or provider represents best value (Value for Money)⁴
- Written recommendation of approval by a member of the Senior Management Team (usually the School Director or Finance Director)
- Written approval by the Chair/Deputy Chair(s), in line with Scheme of Delegation

All contract bids submitted should be opened in the presence of, or made available to, at least two NFTS officers and the contents and compliance / omissions against the contract requirements documented by the procuring manager. When the process is complete and the contract is awarded these documents, the submission from the supplier and any clarifications will inform the contract once both parties are in full agreement.

Any agreement or contract with a supplier for the provision of goods, works or services that requires a signature on behalf of the School in excess of the signing authority level under the Scheme of delegation must be sent to the School Director and Finance Director for review and approval. Other School staff are not permitted to sign such agreements or contracts in the absence of such approval. A signature on an agreement or contract indicates the School's acceptance of and inescapable commitment to it. If not procured correctly this may result in inadvertent acceptance of the supplier's Terms and Conditions.

Length of Contract and Aggregated Spend

In the majority of cases, contracts should be no more than 3 years in duration. Length of contract must be taken into account in calculating the contract value.

Contracts

Contracts will be put in place for many of the goods, works and services required routinely by staff in the School. In the majority of cases, the contracts would be put into place following comprehensive tender exercises, or other effective procurement exercise, and may include the following assessments of suppliers:

- Experience
- Insurances
- Financial Stability
- Forward planning
- Competitiveness
- Value for money
- Health and safety
- Sustainability / Environmental planning and practices
- References
- Technical ability
- Quality and Quality Assurance
- Delivery
- Other service aspects
- Equal opportunities & diversity

⁴ Value for Money (VfM) is defined as 'the optimum combination of whole life cost and quality (or fitness for purpose) to meet the user's requirement'. This is rarely synonymous with the lowest price. Where an item / service is chosen that does not have the lowest whole life costs, then the additional value added benefits must be clear and justifiable.

- Anti-harassment & bullying policy
- Anti-slavery policy
- Ethical trading
- Inspection visit to supplier's premises
- Conflicts of interest

Heads of Departments have a responsibility to ensure that where an appropriate contract is available orders are placed with that supplier. If there is any doubt regarding contracted sources of supply, advice must be sought from a member of the Senior Management Team in advance of the requirement.

Declaration of Outside Interest

When carrying out a procurement exercise any conflict of interest must be made known to the Finance Director. This duty rests on both the procuring manager and the contract provider.

Retention of Documents

The School should retain documents for the periods noted below:

- Copy orders 6 years
- Delivery notes 3 years
- Copies of successful Quotations / Tenders 7 years (or life of contract)
- Copies of unsuccessful Tenders 3 years
- Originals of signed construction related documents held in Finance 7 years
- Originals of sealed documents 13 years

External Appraisal of the School's Procurement Activities

As an organisation in receipt of public funds, the School is subject to the scrutiny and appraisal of HM Government through the Department for Education, Office for Students, the Research Councils and the National Audit Office. These bodies require the Procurement Policy to be carried out effectively.

Code of Professional ethics

The School adopts the Chartered Institute of Purchasing and Supply (CIPS) [Code of Ethics](#).

Diversity and equality of opportunity

The School recognises its commitment to equality, diversity and inclusion and its responsibilities under the Equality Act 2010, as set out in the School's [Equality, Diversity and Inclusion Strategy](#). The School will therefore strive to ensure, where appropriate, that suppliers:

- comply with the Act in its employment practices and service delivery under the contract
- maintain an appropriate written equality and diversity policy
- comply with the Act in their dealings with sub-contractors

Sustainable Procurement

The School recognises its responsibilities to carry out its procurement activities in an environmentally responsible and sustainable manner. The School will therefore strive, where appropriate, to:

- Comply with all relevant environmental legislation

- Ensure that all procurement decisions are taken in the spirit of the School's Environmental and Sustainability Plan
- Consider the impact of on-going spend relating to environmental aspects
- Encourage suppliers to deliver environmentally sound products and services through low carbon and environmentally sustainable supply chain
- Work with suppliers to help them understand the School's sustainability objectives and find lower impact alternatives, where applicable
- Work with key suppliers to bring about changes and thereby spread sustainability improvements throughout the supply chain
- Ensure that supplier's environmental credentials are, as far as legally practicable, considered in the supplier appraisal process
- Ensure that, where appropriate, environmental criteria are used in the award of contracts
- Encourage internal customers to review their consumption of goods and materials, in order to reduce usage and adopt more environmentally sound products, including the use of sustainable products, as appropriate.
- Specify, wherever possible and reasonably practicable, the use of environmentally sound materials and products
- Explore opportunities for recycling of materials, as appropriate
- Encourage larger contracted suppliers to the School to include SMEs and local suppliers in their supply chain, as appropriate
- Work with other Departments across the School to bring about 'joined up thinking in this area

Collaborative Procurement

The School may consider the future benefits of collaborative purchasing, such as being a member of a purchasing consortium, such as the London Universities Purchasing Consortium (LUPC) or Southern Universities Purchasing Consortium (SUPC). These consortia put framework purchasing agreements into place for its members to draw on. The School may also review working with other public sector bodies, where beneficial to ensure they work in a collaborative manner to ensure best value. Assessment principles will include service, quality, competitiveness and financial stability and will be subject to equitable conditions of contract.

Information Security

All suppliers or third parties that require access to the School information systems as part of their service provision must comply with the School's Information Security Policies. Details of these policies must be provided prior to the access being granted. Staff responsible for agreeing maintenance and support contracts, where access is required, must ensure that prior to the contracts being signed the supplier / third party has signed up to the policies. During the term of the contract it must be monitored and reviewed to ensure that information security requirements are being satisfied. In the event of the contract being transferred or terminated, appropriate provisions must be in place to ensure the continued security to information and systems. Suppliers / third parties will be asked, where appropriate, to demonstrate their compliance with the policies.

Financial Authority

Any goods, services or works acquired must be necessary and suitable for a purpose that is in accordance with the School's financial and academic plans. The School operates a system of devolved purchasing authority under which Heads of Department are responsible for the planning and decision making process within the management of their financial resources. This authority may be further delegated to budget holders.

Traceability of Expenditure

An audit trail must be evident for all purchases regardless of the method of acquisition whether that is Purchase Order, School Credit Card or Cash Card.

Authority to Purchase

Finance maintains a record of all staff that have been granted delegated authority (as approved by the Management) to approve expenditure.

No employee may approve expenditure if they have not been given delegated authority to do so.

No employee is authorised to commit the School without first ensuring that sufficient funds are available to meet the commitment.

It is not permissible to raise two or more lower value Purchase Orders or to phase the issue of Purchase Orders in order to circumvent authorisation levels. Failure to comply with these requirements may result in withdrawal of authority and disciplinary action.

Supplier payment terms

The policy of the School is to pay suppliers in accordance with agreed terms. In the absence of any agreement to the contrary, payment will be within 30 days of the invoice date⁵.

Payment in Advance

Payment in advance is strongly discouraged as it represents an unacceptable risk to funds. Financially stable suppliers will not usually require advance payment. However, advance payment of funds, such as student per diems, are permissible with the expressed permission of the Finance Director.

Supplier Responsibilities

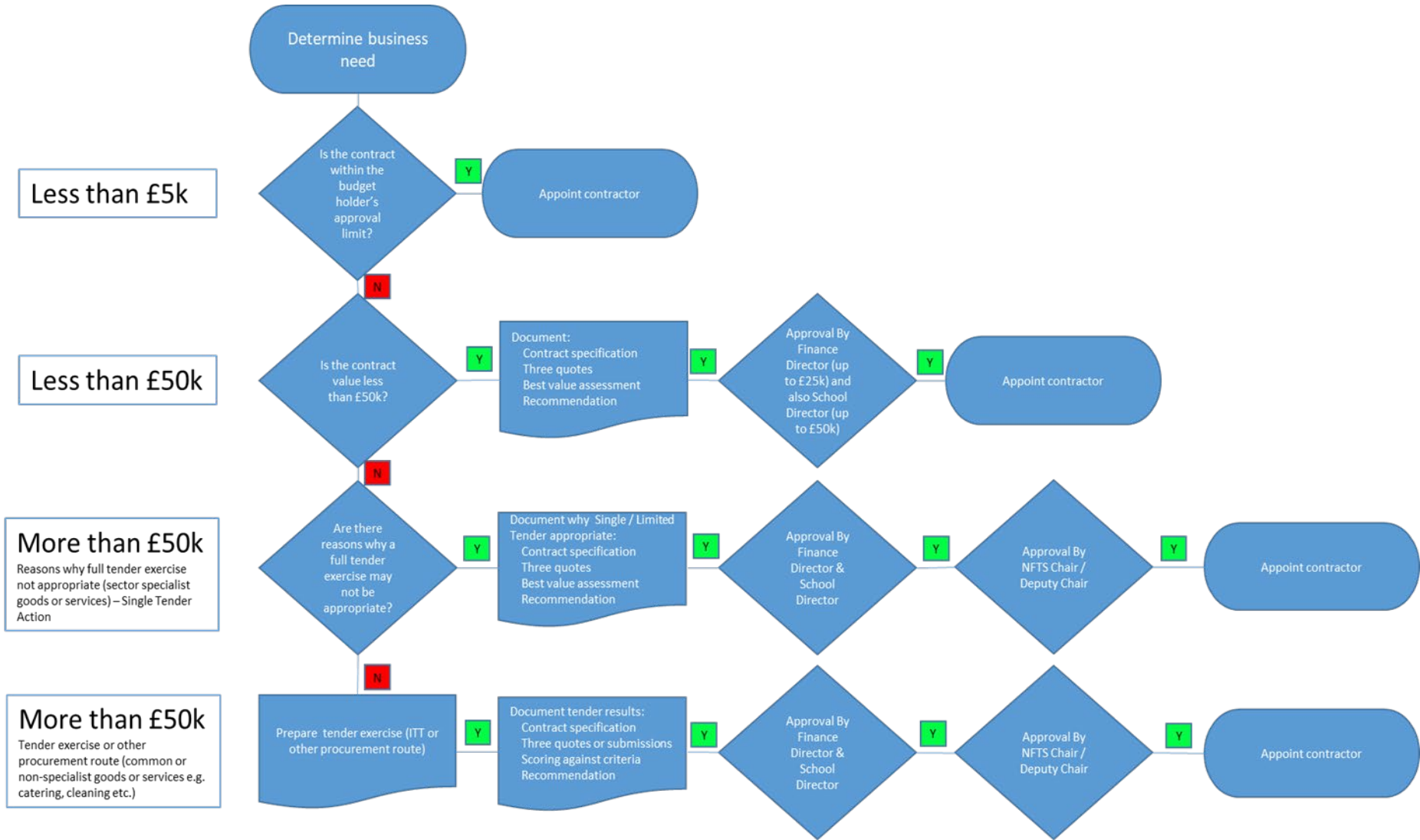
The Sale of Goods Act requires the supplier to supply goods that are fit for their purpose. They must also be of merchantable quality unless defects are specifically drawn to the buyer's attention before the contract is made or, if the buyer examines the goods before the contract is made, as regards defects, which that examination ought to reveal.

Business critical services

Where the services procured are considered 'critical', for example payroll, details of the supplier's business continuity plans must be sought to evaluate continuity of service provision.

⁵ Staff Expenses, Actor fees, Volunteers expenses, Cash Floats and Visiting Tutor invoices are paid within 7 days, at the discretion of the Finance Director.

Flowchart of procurement and approval routes



5.2.2 Purchase Orders

Purchases of goods and services should be supported by an official NFTS purchase order. The NFTS may refuse to authorise payment for goods ordered without an official purchase order number.

All orders (excluding student generated orders) are raised by budget holders through the School's finance system (ACCESS) and are subject to approval in line with the School's mandate of delegated levels of signing authority and Scheme of delegation.

5.2.3 Supplier Payments

It is NFTS policy to pay suppliers via BACS, whenever possible. The policy of the School is to pay creditors in accordance with agreed terms. In the absence of any agreement to the contrary⁶, payment will be within 30 days of the invoice date.

All supplier invoices should be supported by a purchase order, wherever possible.

There is a weekly BACS run, which is normally sent every Wednesday afternoon. Invoices and payment requests should be approved in accordance with the mandate of delegated levels of signing authority and with Purchase Ledger, usually by Monday close of play, at the latest, to ensure payment, if due.

All invoices received after this cut off will normally go onto the following week's BACS run.

Note, any change of a supplier's bank details are subject to verification checks before any future payment is processed.

Other methods of payment: -

Immediate on-line bank payments

These may be made via Commercial Banking Online (CBO) but may only be made at the discretion of the Finance Manager or Finance Director. These may include: -

- Emergency payments - including urgent floats, location fees and other urgent payments approved by the Finance Manager or Finance Director
- International Payments

CBO requires two directors to approve payment.

Standing Order / Direct Debits

Direct Debit mandates and Standing Order requests must be signed by two signatories in accordance with the NFTS bank mandate, one of whom must be either the School Director or Finance Director. Invoices must be supplied and approved for each payment taken from the account using this method.

⁶ Staff Expenses, Actor fees, Volunteers expenses, Cash Floats and Visiting Tutor invoices are paid within 7 days, at the discretion of the Finance Director

Credit Cards

Settled by monthly Direct Debit mandate (see **Section 5.2.5 - Credit Card Policy** for approved purchases and controls).

Cash

Cash payments may only be made in exceptional circumstances and on approval by the Finance manager or Finance Director (see **Section 5.2.7 - Cash Floats & Advances Policy**).

Cheques

Cheque payments may only be made in very exceptional circumstances and on approval by the Finance manager or Finance Director. Cheques must be signed by two approved signatories, in line with the bank mandate.

5.2.4 New Suppliers

The School has a core base of authorised suppliers. Staff and students should check with the Finance Department for preferred suppliers as discounts are available from some suppliers before considering using a new supplier. Trading accounts with new suppliers can only be set up by the Finance Department.

Authorisation to create a new supplier

When a new supplier is required, the application form to open a trading account should be sent to the Purchase Ledger Controller who will complete the form. Authorisation to create a new supplier rests with the Purchase ledger Controller if the value of the invoice is below the approval level delegated to Curriculum Coordinators (approximately £1,000); approval of new suppliers seeking payment above this figure must be sought from either the Finance Manager or Finance Director.

The application form should include details such as:

- The supplier trading name
- Supplier registered address
- Supplier contact details including e-mail address
- Supplier trading terms (default to 30 days of invoice date)
- Bank details
- VAT details

The Finance Department will negotiate payment terms, if necessary.

It is the School's policy not to pay "cash" to suppliers, the preferred payment method being BACS.

5.2.5 Credit Card Policy

School credit cards ("credit cards") are only issued to those individuals whose departments or role necessarily involve regular and substantial expenditure on School business, where it would be inappropriate to expect them to meet from their own resources pending reimbursement. The need for a credit cards and card limits are considered by the Finance

Director who will determine, in consultation with the Senior Management Team, whether a card should be provided, taking into account the circumstances in each case.

The individual named on the credit card will be responsible for the correct use of the card, including the provision of supporting VAT receipts for purchases, irrespective of whether the card has been used to purchase goods or services on behalf of another individual or department.

Failure to operate within the terms of this policy may result in withdrawal of the card.

Usage of credit cards

Staff should avoid unnecessary use of the credit card, wherever possible, by pre-ordering goods and services which may be invoiced directly to the school. All expenditure must be supported by the relevant purchase documentation (including where appropriate VAT receipt print-outs from internet purchases). These must be provided to the Purchase Ledger Controller within 4 weeks following the month of purchase, and include details of where each item of expenditure should be coded to.

If a card holder loses their card, has their card stolen or suspects fraudulent use, they should contact either the Finance Manager or Finance Director immediately.

The credit card may not be used for the withdrawal of cash.

Personal use

Use of the card for personal expenditure is prohibited. Should a personal item be purchased in error, the card holder will take immediate steps to reimburse the School for this expenditure.

The School retains the right to recover payment for personal expenditure through deduction from salary where personal expenditure is not reimbursed promptly.

5.2.6 Cash Card Policy

Preloaded debit cards are managed through "EQUALS" ("Cash cards") and are made available to staff and students to minimise the risk associated with cash. All cash card expenditure must be for genuine, bona fide and pre-approved purposes and must be evidenced by supporting receipts.

Staff members and students are responsible for the safe custody of all cash cards provided. Supporting receipts evidencing relevant and appropriate expenditure on cash cards must be authorised by the budget holder and presented to the Finance team not later than 30 days of expenditure being incurred, or the end of a production shoot, whichever is the later.

Failure to provide supporting receipts evidencing appropriate expenditure may result in the preclusion of access to future cash cards and/or other sanction.

Cash cards to staff

Cash cards may be ordered and given to staff at the discretion of a member of the School Senior Management Team, and if approved by the Finance Director.

Where a staff member fails to provide supporting receipts evidencing relevant or appropriate expenditure, he/she/they may become personally liable for any expenditure unaccounted for. Cash card balances which remain unaccounted for may be deducted from the staff member's salary and subject to income tax.

Cash cards to students

Cash cards are provided to students to aid their studies and to reduce the risks associated with cash. All students should avoid the need for using their cash cards, wherever possible, by pre-ordering goods and services, which may be invoiced directly to the school.

Failure to provide evidence of relevant or appropriate use of cash cards may result in one or more of the following sanctions:

- Suspension of library borrowing rights;
- Suspension of access to equipment for non-curriculum use;
- Suspension of access to NFTS activities, such as Masterclasses, Cinema Club and the NFTS bar;
- Suspension of access to NFTS property including access to the School and its equipment;
- Suspension of access to NFTS IT systems;
- Suspension of entry to the next term of the student's course;
- Personal liability for the amount of the cash card balance unaccounted for; and / or
- Prevention from graduating.

5.2.7 Cash Floats & Advances Policy

Cash floats are provided to staff and students in exceptional circumstances for the furtherance of the School's objectives, including the advancement of students' studies. They may only be granted with the expressed permission of the Finance Director and where alternative methods of payment are not available or appropriate. All cash expenditure must be for genuine, bona fide and pre-approved purposes and must be evidenced by supporting receipts.

Staff members and students are responsible for the safe custody of all cash floats or advances provided. Supporting receipts evidencing relevant and appropriate expenditure of cash floats and advances must be authorised by the budget holder and presented to the Finance team not later than 30 days of expenditure being incurred, or the end of a production shoot, whichever is the later.

Failure to provide supporting receipts evidencing appropriate expenditure may result in the preclusion of access to future cash floats and advances and/or other sanction.

Cash floats and advances to staff

Staff should avoid the need for cash advances wherever possible by pre-ordering goods and services which may be invoiced directly to the school. Cash advances to staff will be made only in exceptional circumstances, and at the discretion of the Finance Director.

Where a staff member fails to provide supporting receipts evidencing relevant or appropriate expenditure, he/she/they may become personally liable for any cash expenditure unaccounted for.

Cash advances to staff which remain unaccounted for may be deemed to be an advance salary payment. These may be deducted from the staff member's salary and subject to income tax.

Cash floats and advances to students

Cash floats and advances are provided to students to aid their studies, but only where alternative methods of payment all not available or appropriate (see **section 5.2.6 - Cash**

Card Policy). These may be to fund student productions or to attend screenings or other study-related activities, but any cash float must be for relevant and appropriate purposes only.

All students should avoid the need for cash advances, wherever possible, by pre-ordering goods and services which may be invoiced directly to the school.

Failure to provide evidence of relevant or appropriate use of cash floats or advances may result in one or more of the following sanctions:

- Suspension of library borrowing rights;
- Suspension of access to equipment for non-curriculum use;
- Suspension of access to NFTS activities, such as Masterclasses, Cinema Club and the NFTS bar;
- Suspension of access to NFTS property including access to the School and its equipment;
- Suspension of access to NFTS IT systems;
- Suspension of entry to the next term of the student's course;
- Personal liability for the amount of the cash float and/or unaccounted for advance; and/or
- Prevention from graduating.

5.2.8 Business Expenses Policy

This policy applies to the reimbursement of business expenditure incurred on behalf of the School by staff. Reference to 'staff' also relates to claims made by students and Governors.

The School is a charity and major recipient of public funds, grants from other public bodies and fees paid by students. Staff should ensure that all expenditure is appropriate and responsible.

We must demonstrate compliance with Her Majesty's Revenue & Customs (HMRC) rules. Claims may only be made for costs incurred wholly, exclusively and necessarily to carry out the duties for the furtherance of the School and must be supported by an original VAT receipt, unless otherwise specified. Credit card slips & statements will not be accepted as evidence of business expenditure.

All expenses must be approved by the claimant's line manager or budget holder. The authoriser and the claimant are jointly responsible for ensuring that all expenditure claimed is appropriate and properly evidenced. Claims will only be reimbursed if received within two months of the expenditure being incurred, except in exceptional circumstances, at the discretion of the Finance Director.

Please contact the Finance team at Accounts@nfts.co.uk for more detailed guidance on policy and current reimbursement rates and limits in relation to travel, accommodation, subsistence and other business expenses.

5.3 Capital Expenditure (CAPEX)

The Finance Department maintains a fixed asset register for all individual assets of over £1,000 in cost. Items purchased below that amount are not capitalised and instead charged to the repairs & renewals budget of the relevant department. The fixed asset register is used to ensure adequate insurance cover for the School's assets is maintained.

Additions

Capital expenditure is authorised primarily by either the Head of Engineering, Head of I.T or the Estates & Facilities Manager.

The fixed asset register is part of the School's finance system and is maintained by the Management Accountant. The Management Accountant reviews and reconciles the fixed asset register regularly and updates the register for all additions and disposals.

Disposals

When an asset is sold, stolen or scrapped the Management Accountant should be notified and a disposal of asset form completed. The asset disposal form indicates why the asset was disposed of and includes the asset number and serial number of the asset, as relevant, and is authorised predominantly by either the Head of Engineering or Head of I.T.

When an asset is sold, a copy of the disposal form is given to the Credit Controller in Finance so a sales invoice may be raised for VAT purposes.

5.4 Treasury & Investments

5.4.1 Banking Arrangements

Lloyds Bank Plc and Barclays PLC are the two main banks used by NFTS. Any changes to the bank mandates must be approved by the Board and noted in the Board minutes.

Lloyds Bank Plc

NFTS uses Lloyds Banking Group for all of the School's day to day banking activities. Any two of the authorised signatories from the bank mandate, one of which must be the School Director or Finance Director, are required to sign together on all banking instructions (i.e. changes to standing orders, direct debits and international payments).

In line with the Delegated Levels of Signing Authority, approval of either the NFTS Chairman or Deputy Chair(s) via email is required to approve individual payments in excess of £50,000 for budgeted expenditure (exceptions are payroll, PAYE returns, VAT returns, consolidated weekly BACS run and intra-bank account balance transfers).

Barclays Plc

NFTS places monies with Barclays Plc on notice deposit.

5.4.2 Treasury Policy

The School's approach to treasury management, is defined as: -

"The management of the School's cash flows, its banking, investment and borrowing transactions, effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks."

The Policy applies to the School, and its subsidiary companies. It does not apply to the NFTS Foundation or NFTS Pension and Assurance Scheme, which have their own regulations and policies.

Treasury Management Objectives

The Policy recognises that there are risks in treasury management which need to be addressed by the School as follows: -

- (a) **Liquidity risk:** to ensure there are adequate, though not excessive, cash resources, borrowing arrangements, overdraft or standby facilities to enable the School at all times to have the level of funds available which are necessary for the achievement of the School's business objectives.
- (b) **Interest rate, Exchange rate and Inflation risk:** to ensure adequate protection against the risk of fluctuations in these monetary factors creating unexpected or unbudgeted burdens on the School's finances.
- (c) **Credit and Counter-party risk:** to ensure sufficient protection from the risk of failure by a third party to meet its contractual obligations to the School under an investment or borrowing arrangement, particularly as a result of the third party's diminished creditworthiness.

- (d) **Market risk:** to ensure the School will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and accordingly to protect it from the effects of such fluctuations.
- (e) **Legal and regulatory risk:** to ensure that all of the School's treasury management activities comply demonstrably with its statutory powers and regulatory requirements and that the risk of these impacting adversely on the School is minimised.
- (f) **Fraud, error, corruption, and contingency:** to ensure that circumstances are identified and addressed which may expose the School to risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Particular attention is to be given to the provisions of the Money Laundering, Terrorist Financing and Transfer of Funds (information on the payer) Regulations 2017 and associated legislation such as the Terrorism Act (2006) and the Proceeds of Crime Act (2002); see **section 5.4.3 NFTS Anti-Money Laundering Policy**.

The Policy adopts the general approaches listed above and then sets more detailed objectives as follows: -

- (a) For cash, and temporary investments - to achieve the following objectives in priority order:
 - (i) To minimise the risk of loss or non-repayment
 - (ii) To ensure that the periods for which monies are invested are consistent with the cash flow requirements of the School, so funds are available when needed
 - (iii) To achieve a reasonable rate of return having regard to the first two objectives
- (b) For working capital purposes - to maximise by proper control of debtors and creditors the amount of cash available to the School, consistent with the requirements of customer's and supplier's terms of business, and good practice.
- (c) For borrowings - to achieve the following objectives in priority order:
 - (i) To raise finance in a timely and efficient fashion for approved projects
 - (ii) To pay the lowest reasonable cost of funds
 - (iii) To control tax risks
 - (iv) To agree with lenders such security arrangements and other constraints over the School as to leave it with the maximum freedom over its future finances
- (d) For foreign exchange - to keep as simple as reasonably possible its transactions involving foreign currency, consistent with keeping administration and transaction costs low.

Responsibility and Authorisation

Responsibility for the treasury management policy is ultimately that of the School Director as the Accountable Officer of the School. This responsibility is exercised on behalf of the School Director by the Finance Director.

The Finance Director may delegate, under a scheme of delegation, the duty of temporarily placing monies on investment, but not the responsibility, to such staff within the Finance team as they see fit. It is current practice for this duty to be undertaken by the Finance Manager without any restriction on limits, but subject to agreed authorisation and monitoring procedures. The Finance Manager is responsible for ensuring that investment procedures and relevant bank mandate records are clearly documented, reviewed regularly and updated, as necessary.

The Finance & General Purposes Committee is responsible to the NFTS Board for advising on investment policy and monitoring investment transactions undertaken by authorised officers. This function is exercised by the approval of broad policy guidelines within which School employees must act, and through the more detailed consideration given to the activity by the Finance & General Purposes Committee.

Procedures for Cash and Temporary Investments

The amount and period of any temporary investment shall be determined by reference to the School's estimated short-term cash flow requirements. For this purpose, the Finance Director will, with the help of the Finance Manager, be responsible for maintaining a detailed forecast of cash movements covering at least three months ahead.

Use of the School's bank overdraft facility (if in place), is only permissible with the approval of the Chair of Finance & General Purposes Committee.

Where the School invests funds itself, the arrangements are that the only approved investment, except for accounts with the School's bank, is the simple money market deposit – either for a fixed period or on notice. Specifically prohibited are:

- i) Commercial paper
- ii) Sterling certificates of deposit
- iii) Any transaction involving the use of the futures market
- iv) Any transaction requiring the use of interest rate swaps

Within the total temporary investments, any proportion (including the whole) may be invested at variable rates (i.e. on notice).

Institutions to which money may be lent are required to be approved by Finance & General Purposes Committee, and must meet minimum long term credit ratings (with reference to more than one credit rating agency), as determined by the Committee.

The list of institutions is restricted to the following:

- i) Substantial UK clearing banks
- ii) Major UK building societies
- iii) Specified foreign owned banks
- iv) Specified AAA Money Market Funds

The amounts which may be lent to individual borrowers or banking groups shall be determined by Finance & General Purposes Committee, and may be varied from time to time. A comparison of interest rates offered by the approved institutions above should be undertaken on a regular basis.

In order to manage short term working capital requirements, the counterparty limit for the School's main bank may be extended by an agreed amount, as determined by the Finance Director, for limited periods of up to three month.

The current list of approved institutions and counterparty limits is available from the Finance Manager. The Finance Director is responsible for amending the list based on changes to credit ratings.

Any interest-bearing account facilities offered by the School's bankers may be used as an alternative to temporary investment at the discretion of the Finance Director. In determining

the use of such facilities, regard shall be paid to the rate of interest received, and on any restrictions placed by the Bank on the use of such accounts.

Where it is likely to be beneficial, temporary investment will be arranged through an authorised and regulated London money broker, to obtain as wide as possible a range of potential borrowers.

The School is responsible for ensuring that any transactions placed through brokers conform to this policy.

The School may also deal direct with any institution on the approved list of borrowers who may, from time to time, offer terms of deposit which are substantially better than general money market rates.

The School may also choose to hold cash balances and temporary investments on deposit with stockbrokers and fund managers. These decisions will be made by Finance & General Purposes Committee, who will take such advice as they think appropriate from the money broker described above. The funds invested in this way will be fully subject to this Policy, in all regards other than their management.

Interest earned from investments will be credited to the appropriate accounts as required to meet reporting timetables in the School.

Procedures for Endowment Funds

Endowed donations or bursaries received that are for use over a time period of greater than one year⁷ should normally be accounted for and administrated by the NFTS Foundation with agreement made between the NFTS Foundation and NFTS as to the timing of draw-down of funds.

Procedures for working capital

These procedures concern debtors and creditors. The Finance Director will make arrangements for debts to be collected promptly, and creditors to be paid in a timely fashion so as to maximise operating cash flow. Discounts for early payment will be accepted where their size exceeds the loss of interest on cash used.

Procedures for Borrowings

An overdraft facility may be maintained for operational purposes and a temporary loan facility may also be arranged for the same purpose, but their use will be minimised so as to keep costs down. They will not be used for long-term purposes.

Any proposals for long-term borrowing for funding of projects will be evaluated carefully by the Finance Director in line with the School's financial plan and the objectives of this policy. It will normally be expected that several sources of funds will be evaluated in each case. Proposals for new long-term borrowings require a resolution of the NFTS Board, following a recommendation by Finance & General Purposes Committee.

Appropriate interest rate hedging, through fixed rates, caps, and other non-aggressive instruments, will be undertaken to protect the School from sharp increases in interest rates on borrowings. The balance between protection and loss of flexibility will be evaluated by the

⁷ This excludes Scholarships awarded by Industry or Government partners, which covers the duration of a nominated student's 2-year MA.

Finance Director with such external advice as they consider appropriate. Decisions will be taken by Finance & General Purposes Committee, but the Committee may delegate to the Finance Director the timing of implementation of a proposal so as to allow favourable market conditions to be exploited.

Any subsequent refinancing of a borrowing arrangement will be considered if the terms are competitive and as favourable as can reasonably be achieved in the light of market conditions prevailing at the time, and will require approval by the NFTS Board.

Procedures for Foreign Exchange

Generally, the School will seek to keep simple its transactions involving foreign currency. To this end it will:

- (a) Seek where possible to have transactions conducted in sterling rather than foreign currency
- (b) Avoid speculating on the future value of foreign currencies against the Pound (GBP)
- (c) Seek wherever possible to keep the administration of foreign currency transactions and holdings simple and low cost in administrative terms

Other Currencies: The School will not hold foreign currency except in the anticipation of related expenditure or onward payment to partner organisations. For currencies where there are both extensive purchases and sales, the School will keep under review whether to open foreign currency bank accounts with its bank in the UK in order to reduce transaction costs.

Currency Conversion Costs: Costs arising from conversions from foreign exchange will be absorbed by the relevant budgets for the activity.

Hedging: The School will not normally arrange hedging for its foreign exchange transactions. Exceptionally, where certainty of costs is required and it is important that losses are avoided, then the Finance Director may approve hedging arrangements on a case by case basis, subject to the appropriate ISDA⁸ arrangements being put in place.

Forecasting, Monitoring and Reporting

The Finance Director will, with the help of the Finance Manager, prepare appropriate cash flow forecasts for the coming year, based on the School's approved Financial Forecasts. These will be prepared prior to the start of each financial year as part of the annual forecast submission to OfS. The forecasts will be reviewed monthly during the year to track actual cash flows against planned movements, and adjusted for latest forecast outturn. This will enable the forecasts to be rolled forward, as necessary.

Other Matters

Banking Arrangements: the School will bank with a substantial UK clearing bank.

Training: The Finance staff involved in treasury management will be expected to attend seminars and short courses on relevant topics, with particular reference to legal and regulatory changes. Other staff involved in receipt of income from non-standard sources, e.g. in the Registry Office, will be made aware of the risks of money laundering and required to follow appropriate procedures.

⁸ International Swaps and Derivatives Association

Audit: The treasury management function will be subject to internal and external audit in the normal way.

Review: This Policy and schedule of approved institutions and counterparty limits is subject to annual review by the Finance & General Purposes Committee, or at such intervals as it may from time to time determine.

5.4.3 Anti-money Laundering Policy

The Proceeds of Crime Act 2002, Money Laundering, Terrorist Financing and Transfer of Funds (information on the payer) Regulations 2017 and Terrorism Act 2002 set out the obligations on the School and its employees to comply with the legislation and that the highest standards of due diligence are applied in relation to 'know your customer' principles.

This policy sets out the procedure to be followed if money laundering is suspected and defines the responsibility of individual employees in the process.

What is Money laundering?

Money laundering is the process by which criminally obtained money or other assets (criminal property) is exchanged for 'clean' money or other assets with no obvious link to their criminal origins. Criminal property may take any form, including money or money's worth, securities, tangible property and intangible property. It also covers money, however come by, which is used to fund terrorism.

Money laundering activity includes:

- Acquiring, using or possessing criminal property
- Handling the proceeds of crimes such as theft, fraud and tax evasion
- Being knowingly involved in any way with criminal or terrorist property
- Entering into arrangements to facilitate laundering criminal or terrorist property
- Investing the proceeds of crimes in other financial products
- Investing the proceeds of crimes through the acquisition of property/assets
- Transferring criminal property.

Employee obligations

Money laundering legislation applies to ALL employees. Potentially any member of staff could be committing an offence under the anti-money laundering laws if they suspect money laundering or if they become involved in some way and do nothing about it.

If any individual suspects that money laundering activity is or has taken place, or if any person becomes concerned about their involvement, it must be disclosed as soon as possible to the Finance Director. At no time, and under no circumstances, should you voice any suspicions to the person(s) you suspect of money laundering.

Failure to do so may result in you being personally liable to prosecution.

Where may this arise?

Money laundering regulations apply to cash transactions with agents, third parties, property or equipment, cheques, cash or bank transfers.

Fees paid in advance by foreign students who have subsequently been refused a visa are only refundable providing appropriate documentary evidence is available to demonstrate the

circumstances. Where appropriate, refunds should only be made to the person making the original payment.

Precautions should also be taken in respect of refunds requested following a payment by credit card or bank transfer. In these cases, refunds should only be made by the same method to the same account. In the event of an attempted payment by credit or debit card being rejected the reason should be checked prior to accepting an alternative card. If in any doubt about the identity of the person attempting to make a payment the transaction should not be accepted.

'Know your Customer'

It is important that controls are in place to undertake customer due diligence i.e. steps to identify the student, customer or other party dealing with the School. Satisfactory evidence of identity must be obtained. Examples include:

- Passport or visa
- Birth certificate
- Correspondence with students at their home address

and for third parties,

- Letters or documents proving name, address and relationship.

If an organisation is not known to the School:

- Look for letter-headed documents
- Check web-sites
- Request credit checks
- Or aim to meet or contact key sponsors as you feel appropriate to verify validity of contact.

Cheques drawn on an unexpected or unusual source should always be verified with regard to validity of the source.

Who should you contact?

The NFTS Finance Director is the nominated Money Laundering Officer (MLO). You should contact the Finance Director in respect of any suspected transactions or activity that may relate to money laundering within the School.

In the absence of the Finance Director, suspicions should be directed to the NFTS Finance Manager (copying in the Finance Director).

5.5 Payroll

The School's payroll function is outsourced to the ACCESS Group (ACCESS). They process the payroll on behalf of the School for all salaried NFTS staff, freelance operatives and workers subject to taxation at source, and students. The performance of the School's payroll function is overseen by the HR Director, in consultation with the Finance Director.

Payroll cut-off

All staff and students will be contacted by the HR department by the 2nd week of the calendar month advising of that month's payroll cut-off. Cut-off for month end payroll submissions is usually around the 16th of the month. The only exception is December where deadlines are brought forward to accommodate the early closure of the School for the festive break.

To ensure effective and timely processing of the monthly payroll, key items to be provided to the HR Manager by the cut-off date include: -

- New starter forms
- Leavers forms
- Approved Overtime sheets
- Payroll amendments (tax code amendments, changes to deduction etc.)
- Pension enrolment forms

Processing of payroll

All amendments to the payroll will be reviewed for accuracy, authorisation & completeness by the HR Manager. The HR Manager will advise ACCESS of approved changes to the standing payroll data (salary, deductions, allowances etc.) for each employee.

ACCESS prepare the month's payroll and provide an Employer's Summary, including PAYE and NIC liability, and Report of changes to employee standing data to the School within 4 working days of the last working day of the calendar month. The Management Accountant will review the payroll reports prepared by ACCESS to ensure that these are in accordance with the instructions provided by the HR Manager.

Review & authorisation of payroll

On confirmation from the Management Accountant that the payroll has been processed in accordance with the instructions of the HR Manager, the Finance Director will review the payroll reports and confirm his approval of the payroll via the secure ACCESS portal within 3 working days of the last working day of calendar month.

6.0 Other

6.1 Audits and Statutory Returns

Audits

The following audits take place during the financial year:

External Audit of the NFTS financial statements

The School's financial statements are subject to external audit annually for the preceding year-end 31 July. The audit usually takes place in September and the financial statements are approved and signed off at the November Board of Governors meeting. The financial statements include the Strategic report, Governance report, Income and Expenditure, balance sheet, cash flow, and all accompanying notes to the financial statements.

The financial statements are prepared by the Head of Financial Reporting & Projects and reviewed by the Finance Director. The financial statements are usually provided to the OfS in December each year and must be filed with Company House by the end of April.

NFTS Foundation

The NFTS Foundation financial statements are also subject to external audit annually for the preceding year-end 31 December. The financial statements are prepared by the Head of Financial Reporting & Projects and reviewed by the Finance Director. The audit usually takes place in April/May, with approval of the financial statements by the Foundation Trustees normally in June.

The financial statements must be filed with Company House by the end of September.

US Federal loans

Any activity relating to US Federal loans for students is audited annually in December. The Registry Department, supported by the Finance Department, are responsible for any information required for this audit.

Internal Audit

An internal audit programme is agreed each year between the Audit Committee and the internal auditors, with audits timetabled throughout the year

Core areas covered annually include Finance, I.T and data quality.

An annual report from the Internal Auditors is provided to the Audit Committee each November.

Statutory and Governance Returns

The following statutory returns are made by the School:

VAT Returns

Submitted quarterly to HMRC by the Head of Financial Reporting & Projects, after review by the Finance Director.

Corporation Tax Returns

Returns may be required annually and are calculated and submitted to HMRC on behalf of the School, Student Union and NFTS Foundation by a local audit firm.

PAYE and NIC

Due by 21st of each month and paid to HMRC by BACS. Reports and totals to be paid are provided by the payroll outsourcing company. (See **section 5.5 - Payroll**).

Annual Payroll Returns

The majority of returns are now submitted using Real Time Information (“RTI”) on behalf of the School by the payroll outsourcing company.

Other payroll returns due include: -

- P60s are provided to all employees by the payroll outsourcing company (deadline 31 May)
- P11Ds. (staff expenses and benefits) are due by 6 July and are calculated and submitted to HMRC by the HR Department.
- PAYE Settlement Agreement (PSA) liability payment is due by 22 October and is calculated and submitted to HMRC by the Finance Director (usually by the end of June).

Freelancers Return (Finance Act 2011, Para 1, Sch. 23)

The Freelancers return (Finance Act) Return is usually due mid-February and is submitted to HMRC by the Head of Financial Reporting & Projects. The return requires the disclosure of all payments to freelance employees who have worked on film or television production and earned over £1,000 in the financial year.

Charity Commission and Office of the Scottish Charity Regulator Returns

Returns are due annually for the School and NFTS Foundation. Returns are completed on-line by the Head of Financial Reporting & Projects and are submitted as soon as possible after the financial statements have been signed off.

Companies House – Confirmation Statement (formerly Annual return)

Confirmation Statements are due annually in December for the School, Student Union, NFTS Foundation and NFTS Enterprises, and are submitted on-line by the Head of Financial Reporting & Projects, following reviewed by the Company Secretary.

Amendments to Governor, Trustee, or Secretary details are submitted on-line by the Company Secretary.

Office for Students Returns

Financial returns include the:

- **Annual Assurance Return (AAR)**

The returns are prepared and submitted by the Head of Financial Reporting & Projects and Finance Director, including Annual Assurance Return, external auditor’s Audit Completion Report, Annual Financial Return (including Five-year forecast and commentary), and the published financial statements.

Returns are due to the OfS early December.

- **Transparent Approach to Costing (TRAC) Return**

Due annually in January and is prepared and submitted to the OfS by the Management Accountant and Head of Reporting & Projects, following review by the Finance Director and approval by Finance & General Purposes Committee.

HESA Returns

The HESA HE-BCI survey is submitted annually in December by the Head of Financial Reporting & Projects, following review by the School's Director and Finance Director. Responses to the return are received from HESA in January and then final returns submitted once any queries have been actioned.

UKRI Returns

The UKRI Higher Education Innovation Funding (HEIF) return is submitted annually in February by the Head of Financial Reporting & Projects, following review by the School's Director and Finance Director.

6.2 Hardship Grants

The School has a hardship fund which may be available to support students who encounter hardship. This fund is for discretionary hardship and may only be used to support maintenance costs. The fund is administered by the School's Registrar.

6.3 Gift Aid

As a registered charity, the School may claim an additional 25p for every £1 donated to the school from any individual (not companies). To make the claim, the donor must: -

- have paid at least as much in Income Tax or Capital Gains Tax in that tax year as the School wishes to claim in Gift Aid; and
- make a Gift Aid declaration that gives the School permission to claim it (see **Charity Gift Aid Declaration – single donation**).

Further details are available from the NFTS Finance Manager or Credit Controller.

Charity Gift Aid Declaration – single donation

Boost your donation by 25p of Gift Aid for every £1 you donate

Gift Aid is reclaimed by the charity from the tax you pay for the current tax year. Your address is needed to identify you as a current UK taxpayer.

In order to Gift Aid your donation you must tick the box below:

I want to Gift Aid my donation of £_____ to:

Name of Charity: National Film and Television School

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax in the current tax year than the amount of Gift Aid claimed on all my donations it is my responsibility to pay any difference.

My Details

Title _____ First name or initial(s) _____

Surname _____

Full Home address _____

Postcode _____ Date _____

Please notify the charity if you:

- want to cancel this declaration
- change your name or home address
- no longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self-Assessment tax return or ask HM Revenue and Customs to adjust your tax code.