

NFTS

**NATIONAL FILM AND
TELEVISION SCHOOL**

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 which not only satisfy the internal control 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) (formerly The Higher Education Funding Council for England (HEFCE)).

The OfS Terms and Conditions of Funding (formerly the HEFCE Memorandum of Assurance & Accountability) 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 practice 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.

2.0 Legal Status

The National Film and Television School (NFTS) 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 OSCR (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

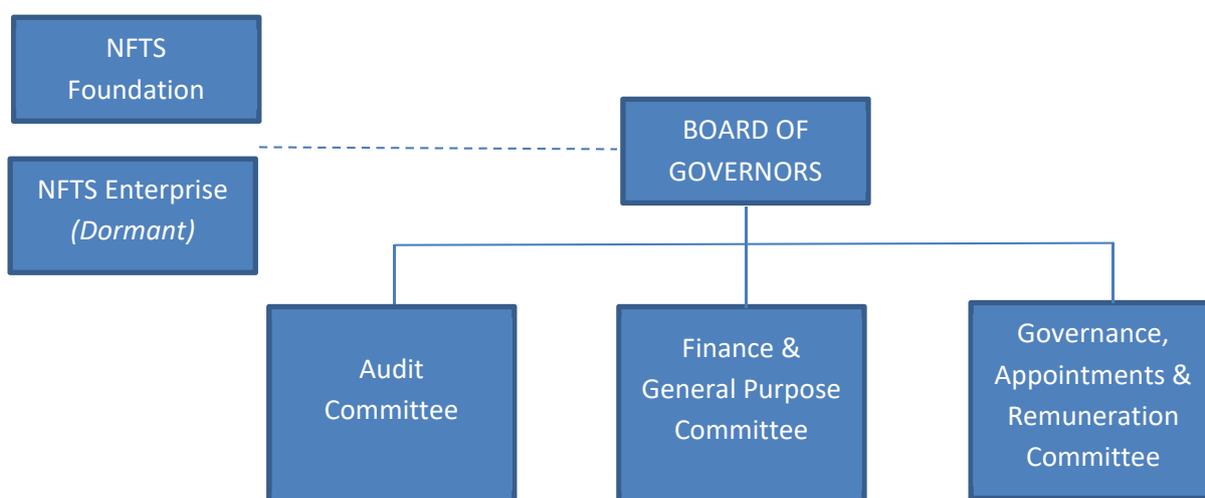
3.0 Governance Structure

3.1 The 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 members 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 (**see 3.4**) 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 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 of the Board of Governors.

Note that the schedule below 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.

Framework & Principles of Delegation

As detailed in the Articles of Association and the Board of Governors Terms of Reference, the Board of Governors is itself responsible for approving corporate strategy and associated plans and budgets; for approving major decisions and corporate policy; for the framework of governance and management; and for monitoring institutional and executive performance. These responsibilities are 'reserved' to the Board of Governors and, as a general rule, cannot be delegated.

As the academic authority of the School, the Academic Standards Committee is responsible to the Board of Governors for academic governance through the Director of the School, and specifically for regulating, in accordance with the Articles of Association and the School's Quality Handbook; the curriculum and assessment; the maintenance and enhancement of academic standards; and the award of degrees and other qualifications. Operational responsibility for these matters may be delegated (as illustrated below).

As the chief executive of the School, the Director is responsible to the Board of Governors within the framework laid down by the Articles of Association, the Terms & Conditions of Funding (formerly the HEFCE Memorandum of Assurance and Accountability) between the School and the Office for Students, the School's Financial Regulations and this Scheme of Delegation – for the operational management of all aspects of the School's work. The Director of the NFTS may delegate – and in practice has delegated – responsibility for specific aspects of the School's management to members of the Senior Management Team and to Heads of Department, but retains ultimate responsibility for their work.

The Heads of Teaching Departments are responsible to the Director of the School - for the leadership and overall management of their respective departments in accordance with their job descriptions and the policies and Financial Regulations of the School. They may delegate responsibility for specific aspects of department management to tutors, visiting tutors and their coordinator, but retain ultimate responsibility for the management of their departments.

The Accounts department is responsible to the Finance Director, and ultimately to the Director of the School, for the leadership and overall management of this department in accordance with their job descriptions and the policies and Financial Regulations of the School. The Finance Director reports to the Finance and General Purposes, Audit Committee and Board on a quarterly basis.

Senior Management are responsible to the Board of Governors (through the Director of the NFTS) for the leadership and overall management of the School's services in accordance with their job descriptions and the policies and Financial Regulations of the School. They may delegate responsibility for specific aspects of service management to heads of department, but retain ultimate responsibility for the management of their service groups.

For financial decisions, reference should be made to the matrix below: -

	NFTS Management with Finance Director approval	NFTS Board Chair or Deputy Chair approval	NFTS Board approval*
Budgeted Expenditure	Up to £24,999	£25,000 to £250,000	£250,001 & above
Unbudgeted Expenditure	Up to £24,999	£25,000 to £100,000	£100,001 & above

* Unless specifically delegated to a sub-Board Committee

Except as otherwise provided, individuals and bodies in whom authority is vested by this Scheme of Delegation may sub-delegate to others provided that such sub-delegation is consistent with the NFTS regulations and recorded and reported to the relevant corporate service (for example, Finance in respect of financial authority levels).

With regards to transactions with Related Parties such as Governors, Senior Management etc., ordinary transactions such as, but not exclusively, the annual purchase of tables and donations at the Gala dinner or the occasional provision of Masterclasses, is accepted by the Governors and Senior Management as part of the normal business of the School, whilst recognising that these are always at arms-length and will ordinarily be disclosed. Approval will be sought from the Chair in instances where transactions are considered unusual or may give rise to a conflict of interests in the opinion of the Senior Management Team.

A matrix to identify who is *Responsible* and *Accountable* and who should be *Consulted* and *Informed (RACI)* of responsibilities delegated by the Board, is set out in **appendix 1**.

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 by the 31 July on review and approval by the NFTS Board each June.

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 and 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 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 & Hubs)

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 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. These are reviewed at the meetings, with budget holders' input on material changes, positive and negative, that should be reflected in the budget.

Capital Expenditure

The proposed Capital Programme is prepared annually by the Senior Management Team, in consultation with Heads of Departments, in the Spring Term alongside the revenue budget for presentation to the Finance and General Purposes Committee in June (see above).

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. 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 Finance Director, Director and Head of Reporting, and amendments made accordingly in April/May.

A final budget is presented to the Finance and General Purpose Committee and Board of Governors meetings for approval in June. The final budget is consolidated into the five-year forecast submitted to the OfS by 31 July.

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 directors 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 of Finance and Estates, 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 and Tendering procedures are carried out in accordance with **Section 5.2** of these regulations;
- (e) monitor performance of suppliers and advise on alternatives where appropriate cost reductions/efficiency gains can be made.

Balances from budgets may not be carried forward into subsequent years unless in specific circumstances which 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 in March. 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.

On acceptance of an offer, prospective students are required to pay a deposit to confirm their place at the School. Deposits on Master degrees, diplomas and the Short Course Director Series are non-refundable. Prospective students have the right to cancel their acceptance of a place at the School for any reason during a 14-day cancellation period, which will start on the day the School receives written confirmation of acceptance of an offer of a place. In those circumstances, the School will reimburse all payments received.

Students of the School are responsible for ensuring that fees are paid when due. This applies even if the student is sponsored by a third party or has applied for a career development loan or other source of funding.

Fees are due one month in advance of starting the course, unless alternative arrangements have been agreed in writing with the School in advance of starting the course. Failure to pay fees when due is a serious matter at the School. The School reserves the right to apply one or all of a number of sanctions (see Section 3 of this policy) where fees remain unpaid or overdue.

For the avoidance of doubt, students with outstanding tuition fees will not be permitted to complete certification nor be allowed to participate in the course graduation event.

Payment of fees

Tuition fees are to be paid up front, one month prior to the course start date. The only exception is 2nd year MA students who may pay termly in advance.

Where payment of fees is not received prior to the start of the course, a student will not be allowed to enroll unless permission is given by the School Director in writing. Such approval will be given following consultation with the Finance Director.

Where students are in receipt of funding either in full or part by a private sponsor, such as a commercial or charitable organisation, the School reserves the right to request an official letter of sponsorship prior to registration to a course. Note: Parents, family members or friends are not classed as sponsors; and if a sponsor fails to pay, the student is responsible for any outstanding amounts.

Non-payment of fees

The School reserves the right to apply one or all of a number of sanctions in the event of failure to pay fees owed to the School when due. These include:

Within 2 weeks:

- o Suspension of library borrowing rights.
- o Suspension of access to equipment for non-curriculum use.

Within 1 month:

- o Suspension of access to School activities such as Masterclasses, Cinema Club and the School bar.
- o Suspension of access to School equipment and property.

Within 3 months:

- o Suspension of IT access to School systems.
- o Suspension of entry to the next term of their course.

For the avoidance of doubt, the students with outstanding tuition fees will not be permitted to complete certification nor be allowed to participate in the course graduation event.

Recovery of outstanding fees

Students of the School are responsible for ensuring that fees are paid when due. This applies even if the student is sponsored by a third party or has applied for a career development loan or other source of funding.

Where students have outstanding fees due over 30 days from the invoice due date, they will be contacted by the Finance team in the first instance advising of the fees outstanding and requesting immediate payment. In the event of failure to respond to requests from the Finance team to make full settlement of the outstanding debt, or agree an alternative arrangement (see below), the matter will be escalated to the Registrar. In any event, where such students fail to settle outstanding fees, or agree an alternative arrangement in writing with the School, they may be precluded from returning to the school and / or be allowed to graduate, at the discretion of the School Director.

The School reserves the right to refer the recovery of outstanding fees to a specialist debt recovery agency.

Alternative payment arrangements

Where a student is not in a position to settle any outstanding fees in full in line with the invoiced payment terms, an alternative payment arrangement not exceeding 12 months may be agreed in writing with the Finance Director or nominee. At the School's discretion, agreements for alternative payment arrangements may need to be underwritten by a guarantor agreeable to the School.

Where alternative arrangements have been agreed, the full debt becomes immediately payable in the event of any default in the agreed payment plan.

The School reserves the right to refer the recovery of outstanding fees to a specialist debt recovery agency.

Student withdrawal

All requests to interrupt or suspend studies after a course has started must be made in writing to the Registrar. Agreement to reasonable requests to interrupt or suspend studies, for example on the grounds of ill health, bereavement or financial difficulty, is at the sole discretion of the Registrar.

Where a student withdraws or interrupts their studies, they will be liable for the course fees up to the end of the academic term in which they withdraw or interrupt their studies.

If the School takes a decision to suspend a student, fees up to the end of the academic term in which they are suspended will remain payable by the student.

Refund of fees

Where the student has paid fees in advance, the School will refund fees paid for all tuition terms that have not commenced. No refunds will be made in cash and no interest will be paid on fees refunded.

Where the student's fees have been paid directly to the School by a sponsor then the refund shall be paid direct to the sponsor.

Any refund of fees payable will be made to the original source and in the currency of funding. The School is not liable for any shortfall due to exchange rate fluctuations or offer compensation for any bank charges incurred.

Compensation

In the event that the School fails to comply with its obligations under its contract with a student, the School will be responsible for any loss or damage suffered that is a foreseeable result of the School's breach of the contract or its negligence. The School will not be responsible for any loss or damage that is not foreseeable. Loss or damage is foreseeable if they were an obvious consequence of the School's breach or if they were contemplated by the student and the School at the time the contract was entered into. In considering whether it is appropriate to provide financial redress to a student to compensate them for reasonable costs or loss they have incurred, the School will consider, on a case-by-case basis: o the particular circumstances of the matter; o the nature and reasonableness of the costs or loss which the student has incurred (for example, as relevant, additional costs such as reasonable travel costs or reasonable costs associated with the student's transfer to another course or institution or in connection with a bursary); and o the context in which the costs or loss arises (for example, the implementation by the School of its Student Protection Plan in circumstances where the School is no longer able to preserve continuation of the student's study).

Students will be required to submit written evidence in support of a request for financial redress and should be submitted using the Student Complaints Procedure. The School will make all reasonable efforts to deliver the course and other services and facilities as specified in the School's offer. In certain circumstances the School may be required to alter the location of study or placement. In such cases the School will notify the affected students at the earliest opportunity. The [Student Protection Plan](#) provides greater detail.

In cases where the student does not wish to accept the alternative arrangements, they may request to withdraw from the course. The School will consider a reasonable request for compensation where it is unable to preserve the continuity of study as outlined above.

The School will not normally offer compensation where it has not been possible to maintain continuity of study due to events outside its reasonable control.

The School will consider a reasonable request for compensation for maintenance costs where it has been necessary to alter the location of study. The School will not normally offer compensation for maintenance costs where it has not been possible to maintain continuity of study due to events outside its reasonable control.

5.1.2 Grants Policy

Revenue government grants and recurrent grants from HEFCE and 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 HEFCE, 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 Director of External Relations & Marketing 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 philanthropic fundraising is set out below. It is relevant to all members of staff and provides information, including contact information, relating to identification and proper accounting procedures for donations.

Application of policy

Philanthropic funding represents additional private sector financial support that enables the School to invest further in key strategic areas such as student hardship, teaching and the enhancement of studio buildings and equipment. The School seeks to encourage the School community, including its alumni, staff, the general public and businesses to contribute, through structured and tailored solicitation programmes.

It is vitally important that fundraising is professionally co-ordinated across the School to ensure the most efficient and effective approaches are made. We also need to identify all donations received to ensure donors are appropriately thanked and stewarded, their wishes carried out and that all benefactors to the School are included in the Donor Report, which is delivered to the Board of Governors annually, which lists all donors to the School over a financial year. The Director of External Relations & Marketing can provide assistance in the ongoing thanking, reporting and stewardship of a donor.

We also need to account accurately for and record all funds raised or pledged to measure fundraising activity and income generation throughout the School, for audit purposes and both internal and external regulatory bodies, in particular.

- Define philanthropic income and ensure all donations are correctly recorded and reported in the School's philanthropic returns for both internal and external bodies;
- Explain how to properly maximise donation income. At present this can be done by asking the donor to complete a Gift Aid declaration which allows the School to reclaim tax on any donations from individuals paying UK income or capital gains tax;
- Ensure donors are identified and stewarded correctly and all approaches are co-ordinated and professionally managed; and
- Ensure donations are compatible with the School's objectives and consistent with the goals of the School.

Definitions

A gift or donation is a voluntary transfer of money by a donor, made with philanthropic intent for the benefit of the institution. After receipt, the institution must own the donation in full and any work, project or intellectual property that results. The donor may not retain any explicit or implicit control over a gift after acceptance by an institution and there must be no contractual conditions attached to the donation.

Philanthropic funds can, for example, fund the following:

- Buildings, land and equipment/other assets that become or remain the property of the School;
- Staff appointments, providing there is no donor control over the appointment and neither consultancy nor work on research contracts is included;
- Scholarships and bursaries, as long as the student recipient is not required to undertake specific activities of economic benefit to the funder (e.g., research projects, work placements) and the donor does not select the recipient; and/or
- Endowment of lectures and other academic activities.

Sources of philanthropic funds may include the following:

- Gifts from individuals, of cash and other instruments of wealth, including shares;
- Gifts-in-kind (or donated assets) including property, art, equipment;
- Legacy income;
- Monies from charitable trusts and foundations;
- Gifts from companies;
- Gifts from overseas governments or their agencies and foundations (please also see Anti-Bribery policy);
- Income from the National Lottery and similar sources (e.g. Sport England, Heritage Lottery Fund).

Procedure for all Donations, Endowments and Legacies

The Director of External Relations & Marketing will co-ordinate fundraising across the School, maintain details and advise the Finance Director of all donations on the School database for reporting and audit purposes, and ensure any contact made with donors is relevant and any future approaches are co-ordinated. If the Director of External Relations & Marketing is aware of all donations, then they can ensure they are consistent with the goals and policies of the School and refer anyone who wishes to approach a donor to the Department which already has a relationship with the donor, to ensure no conflicting requests or multiple approaches from different parts of the School are made. All intentions to approach existing or potential donors should therefore be notified to the Director of External Relations & Marketing before contact is made.

Acceptance/Refusal

In considering the acceptance of any donation, endowment or legacy, the School will consider if the donation is compatible with the purposes of the School and consistent with the goals outlined in the Corporate Plan. The Director of External Relations & Marketing will also consult with the Finance Director to ensure that any gift complies with any relevant, current legislation.

The School will not accept any donation or pledge which is deemed, following investigation research, to have been funded through activities which:

- Are unlawful (including any form of theft, fraud, tax evasion, money laundering or terrorist activity), whether in the UK or under the jurisdiction of the country from which the pledge is made;
- Violate international conventions that bear on human rights; or
- Limit freedom of enquiry, or encroach on academic freedom.

In addition, the School must be able to confirm that acceptance of a donation will not:

- Lead to a conflict of interest with the ethics and principles of the School;
- Require an action or actions on behalf of the School or its staff which may be deemed illegal;
- Harm the School's reputation and relationship with other benefactors, partners, potential students or research supporters.
- Constitute any form of bribery (**see Anti-Bribery Policy**).

As part of the due diligence involved in accepting a gift, the School will identify if there are any present or upcoming School tenders for work that may be of interest to the donor. If there is a possible, link no donation will be accepted or discussed until the School has ensured that there is no possible conflict of interest.

The School will accept donations from parents of current students but will make it clear within the Gift Agreement and related communication that the gift will in no way have any bearing or influence on how the School will treat their child as a student.

For donations that will be referred to the Board of Governors for approval (i.e., those over £1,000,000) the School will engage a third party to carry out due diligence in addition to the due diligence carried out by the School.

Responsibility levels for acceptance of philanthropic gifts

The Director of External Relations & Marketing has responsibility for all reasonable research on donation pledges, which fall below a threshold of £250,000. Where pledges are received which exceed this value, Development staff should escalate the decision-making as follows:

- (a) £250,000 - £500,000: Director of the School;
- (b) £500,000 - £1,000,000: Chair or Deputy Chair of the Board of Governors; and
- (c) £1,000,000+: Board of Governors

Any donation pledge, regardless of value, which, in the opinion of the Director of External Relations & Marketing has a controversial dimension to it, should be reported to the Director of the School for further action.

Ongoing research and due diligence will be maintained on all high value donors to the School following the donation.

Recording and Reporting

The Director of External Relations & Marketing will ensure donors are given a Gift Agreement. Once donated income has been identified, the Finance Director should be advised and provided with all support information and relevant paperwork. This information should be recorded for auditing purposes. The minimum information required is as follows:

- Name and address of donor;
- Name of staff member(s) involved;
- Amount and purpose of donation including project/department the gift is to support;
- The account and project code the gift was credited to (see accounting procedures below); and
- Copies of supporting letters, proposals, communication with and from the donor.

Stewardship - All donors should be properly thanked by either the Director of the School or the Director of External Relations & Marketing (and acknowledgement of the donation should be sent).

Other considerations - Gift Aid is a way for the School to increase the value of monetary gifts from UK tax paying individuals by claiming back the basic rate tax paid by the donor. It can

increase the value of donations by 25% at no extra cost to the donor. Gift Aid declarations, once returned, should be sent to the Director of External Relations & Marketing, who will process the claim and ensure the tax refund received is credited to the original project code. If you are unsure if Gift Aid can be claimed, please refer to the Director of External Relations & Marketing.

Anonymous donations

There may be occasions when the donor wishes to remain anonymous. In this situation, the identity of the donor must be disclosed to the Finance Director who will ensure that the monies are not from an unlawful activity before the donation is accepted (see Anti-Money Laundering Policy under **section 5.1.4**). The donor's details will remain anonymous from the rest of the organisation.

Responsibility and Contacts

The Director of External Relations & Marketing has overall responsibility for this Donations Policy and for ensuring that it is effectively implemented, that progress is monitored and that the Donations Policy is regularly reviewed.

The Finance Director has responsibility for the accounting procedures.

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 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.

Application of policy

The School's Anti-Bribery Policy applies to all employees, directors, officers and others acting on behalf of the School or of any subsidiary or associated companies ("Staff"). The Anti-Bribery Policy also covers third parties such as agency workers, consultants, sub-contractors and others working for, or on behalf of, the School irrespective of their location, function or grade. For the purposes of this Anti-Bribery Policy, references to Staff shall be deemed to include any third parties to the extent that such third parties are working for, or on behalf of, the School.

The School does not wish to stifle the development of good working relationships with suppliers, agents, contractors or officials; however, all actions must be transparent, proportionate and auditable. The School expects our business partners, agents, suppliers and contractors to act with integrity and to take no actions, which may be considered as an offence within the meaning of the Act.

Staff must not:

- Offer or make a bribe, unauthorised payment or inducement of any kind to anyone;
- Solicit business by offering a bribe, unauthorised payment or inducement to a third party;
- Accept any kind of bribe, unauthorised payment or inducement.

Staff must:

- Refuse, in a clear manner that could not lead to any misunderstanding, any offer of a bribe or an inducement or unauthorised payment that is offered;
- Report all such offers received to the School's Registrar under the procedures set out in the School's Public Interest Disclosure and Whistleblowing Policy (**see appendix ii**).

This relates to offers either to themselves, where they are concerned may have been made to any other member of staff, or that they believe a member of staff may have offered to a third party. This will lead to an investigation and may lead to action being taken by the School, as appropriate.

Hospitality and Gifts

The occasional exchange of business gifts, non-extravagant meals or low-level entertainment is a common practice and is meant to create goodwill and enhance relationships. However, if the giving or receipt of business courtesies becomes excessive, it can create a sense of personal obligation on the part of the recipient. Such sense of obligation can interfere with the individual's ability to be impartial in the transaction.

Staff may accept business courtesies, but such courtesies must be modest and infrequent enough not to interfere with the ethical judgement of the member of staff and must not create an appearance of impropriety. Corporate hospitality and gifts (whether received or provided) must be transparent, auditable and proportionate and therefore must be declared to the NFTS HR Director so they can be recorded in the Hospitality Register.

If a gift or hospitality is not reasonable in the circumstances, then every effort must be made to refuse the offer without offending the person or organisation making the offer. In the unlikely event that the gift cannot be refused, it should be immediately declared on return to the School in the hospitality register held by the HR Director. Any gift or hospitality received or given must not have any influence or intention to influence the party receiving the gift or hospitality.

In no circumstances must any gift of money be made or received by an official of the School.

5.1.5 Restricted Funds

Restricted endowment 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 endowment funds are held separate to unrestricted funds in a nominated bank account and recorded in a balance sheet ledger code so they are easily identifiable. Restricted scholarship endowment funds are held in the NFTS current account.

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 apply to the donor for approval and/or must seek approval from the Board of Governors that all specific restrictions and criteria have been met to allow the use of the funds.

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.

5.1.6 Debt Write-off Policy

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 School Director and Registrar on at least a termly basis. The majority of outstanding income is recovered through the Finance Officer (Sales Ledger), 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 Finance Manager may recommend that the fee or debtor balance is written off as irrecoverable.

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

Individual debts greater than £25k 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

Public procurement is the process whereby public sector 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. There is a duty on procurers to apply key principles of public procurement. These require 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 maximum value for money.

Procedure

It is the responsibility of Budget Holders to ensure that these requirements are complied with. Cases for departure from Procurement Policy require the prior approval of the Finance Director and requests for such departure must be submitted so as to allow sufficient time for review before the event.

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

- Normally a minimum of three quotes
- Value for Money assessment¹
- Written recommendation approval by the Senior Management Team
- Written approval by the Chair/Deputy Chair in line with Scheme of Delegation

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 Senior Management Team for review and approval. Other School staff are not permitted to sign such agreements or contracts. 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.

External Appraisal of the School's Procurement Activities

As an organisation in receipt of significant public funds the School is subject to the scrutiny and appraisal of HM Government through the Department for Education and Skills, 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 [code of ethics](#) as set out by the Chartered Institute of Purchasing and Supply. (CIPS).

¹ Value for Money (VfM) Value for money 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.

Diversity and equality of opportunity

The School recognises its commitment to equality and diversity and its responsibilities under the Equality Act 2010, as set out in the School's Equality and Diversity Policy. The School will therefore strive to ensure 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
- comply with the Public Sector Equality Duty under the Act for goods and/or services provided to, and/or delivered on behalf of, the institution, where it is relevant

Collaborative Procurement

The School may consider the future benefits of collaborative purchasing, such as being a member of a purchasing consortium, such as the Southern Universities Purchasing Consortium (SUPC). SUPC puts 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.

In many cases framework agreements may offer the best arrangement, since all contractors have passed assessment and the agreements have been competitively tendered through EU procedures. Assessment principles will include service, quality, competitiveness and financial stability and will be subject to equitable conditions of contract (see also Contracts).

Sustainable Procurement

The School recognises its responsibilities to carry out its Procurement activities in an environmentally responsible and sustainable manner. The School and its Procurement Department will therefore strive to:

- Comply with all relevant environmental legislation
- Ensure that all procurement decisions are taken in the spirit of the School's Environmental Policy and that associated carbon savings are included within the Carbon Management 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.
- Ensure that an opportunity is given for the inclusion within all specifications, of a facility for suppliers to submit offers for environmentally sound alternatives.
- Ensure that life cycle cost and carbon footprint is considered prior to procurement decisions and given the appropriate weight
- Identify partners for environmental benchmarking, and adopt best practice wherever possible.
- Explore opportunities for recycling of materials as appropriate

- Address barriers to entry so that SMEs and local suppliers are encouraged to bid for appropriate work.
- Encourage larger contracted suppliers to the School to include SMEs and local suppliers in their supply chain
- Work with other Departments across the School to bring about 'joined up thinking in this area.

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 may include the following assessments of suppliers:

- Experience
- Insurances
- Financial Stability
- Forward planning
- Market share
- 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
- 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 the Senior Management Team in advance of the requirement. The School reserves the right to accept or reject tender returns in full or in part.

Terms and Conditions

The School has standard sets of terms and conditions and in most circumstances these will be applied to the acquisition of goods, works or services unless approved by Senior Management. The terms and conditions are reviewed on an annual basis. If circumstances alter or a change in law occurs, it may be appropriate to review the terms more frequently. It may be deemed necessary, as part of a tender process to agree more industry specific terms and conditions.

Information Security

All suppliers or third parties that require access to the School information systems as part of the service they provide 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.

Quotations and Tenders

Thresholds: Where there is no contract or contracted supplier in place and the requirement reaches the monetary thresholds set out under para 18, three quotations must normally be sought, or a tender carried out, prior to an order being placed. This will ascertain the best source and demonstrate competitiveness and value for money:

All contracts must be signed in line with the School's Scheme of Delegation, as set out below:

	NFTS Management with Finance Director approval	NFTS Board Chair or Deputy Chair approval	NFTS Board approval*
Budgeted Expenditure	Up to £24,999	£25,000 to £250,000	£250,001 & above
Unbudgeted Expenditure	Up to £24,999	£25,000 to £100,000	£100,001 & above

**Unless delegated to a sub-Board Committee*

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.

Tendering Documentation and Procedures

Tender documents will usually consist of the following documents:

- The specification
- The contract terms and conditions
- The instructions to tenderers

All tender documents submitted will be opened in the presence of at least two NFTS officers and the contents and compliance / omissions against the requirements of the ITT documented by the procuring Director.

When the process is complete and the contract is awarded these documents, the submission from the supplier and any clarifications will form the contract once both parties are in full agreement.

Declaration of Outside Interest

When carrying out a tender exercise a declaration of outside interest form must be completed by staff involved in the tender process. This includes the use of external consultants who are assisting in the tender exercise. The form will be issued by the Finance Director once they are aware who has expressed an interest in the tender exercise. In order to be part of the evaluation the completed form must be returned to the Finance Director.

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

Fixed Asset Register

The Directors are responsible for ensuring that an Inventory of equipment is maintained for areas for which they are responsible and will be called upon to confirm that an Inventory is being maintained. The School's fixed asset register is provided and maintained by Finance.

Custody and Control

Heads of Departments may delegate responsibility for the physical custody and control of sections of the Inventory to specified members of staff. High value items should be clearly marked that they are the property of the NFTS and locked in a secure location when not in use.

Disposal of NFTS Goods

No item may be disposed of or deleted from the Inventory or Fixed Asset register without approval of the Senior Management Team and advised to Finance. No items can be donated or sold to staff, students or outside organisations except in exceptional circumstances (see below), and in consultation with the Senior Management Team. All requests for disposal irrespective of the value must be approved by the Senior Management Team.

Prior to requesting disposal, departments should offer any item to other users within the School, to ensure full use has been made of the asset. In exceptional circumstances the Senior Management Team may after consultation, permit an item designated for disposal to be purchased privately. If any item is redundant within the School but is considered of significant value, the Senior Management Team should be consulted regarding sale to a private purchaser.

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 Board) to approve expenditure.

- No employee can 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.

Payment in Advance

Payment in advance is strongly discouraged as it represents an unacceptable risk to funds. Financially stable suppliers will not require advance payment. All requests have to be approved by the Finance Director.

Supplier Responsibilities

The Sale of Goods Act requires the supplier to supply goods which 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 should be sought to evaluate continuity of service provision.

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 are processed by the Finance Assistant² in the finance department by entry to the finance system.

All orders must be authorised by recognised signatories with power to delegate authority in their absence.

Students should complete a pink order requisition form available from the Curriculum Finance department; it should be authorised by the student producer responsible for their production budget or the Head of Production.

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 contrary³, 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 sent every Wednesday afternoon. Invoices and payment requests should be approved & signed in accordance with the mandate of delegated levels of signing authority, coded and with Purchase Ledger by Tuesday close of play, at the latest.

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

² Purchase orders for capital items are processed by the Management Accountant

³ Staff Expenses, Actor fees, Volunteers expenses, Cash Floats and Visiting Tutor invoices are paid within 7 days, at the discretion of the Finance Director

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 of the bank signatories to approve payment

Standing Order / Direct Debits

Direct Debit mandates and Standing order requests to 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

Credit Cards

Settled by monthly Direct Debit mandate (see 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 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 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 Finance Officer (purchase Ledger) who will complete the form. Authorisation to create a new supplier 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 Cards 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 & card limits are considered by the Finance Director who will determine, in consultation with the 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 Finance Officer 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 FairFX Plc ("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, s/he 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;
- 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 all 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 holder¹ 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, s/he 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 are not available or appropriate (see 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 maintenance repairs & renewals. The fixed asset register is used to ensure adequate insurance cover for the School's assets is maintained.

Additions

Capital expenditure is primarily authorised by either the Head of Engineering or Head of I.T; copies of all invoices relating to capital purchases should be provided to the Management Accountant.

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 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 and Allied Irish 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

NFTS uses Lloyds Banking Group for all of the day to day banking. 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 Chairman are required to approve individual payments in excess of £25,000 via email (exceptions are payroll, PAYE returns, VAT returns, consolidated weekly BACS run and intra-bank account balance transfers)

AIB Bank

NFTS has a loan with Allied Irish Bank (AIB). There are 3 AIB bank accounts in total with no internet access to these accounts. 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.

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 Regulations (2007) and associated legislation such as the Terrorism Act (2006) and the Proceeds of Crime Act (2002); see 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 Director of Finance.

The Director of Finance may delegate, under a scheme of delegation, the duty of temporary 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 Purpose 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 Finance & General Purpose 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 Director of Finance 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 Purpose 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 Purpose 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 Purpose Committee, and may be varied from time to time.

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 Director of Finance, for limited periods of up to one month.

The current list of approved institutions and counterparty limits is available from the Finance Manager. The Director of Finance 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 Director of Finance. 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 Purpose 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 other regard 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 year⁴ should be accounted for and administrated by the Foundation with agreement made between the Foundation and NFTS as to the timing of draw-down of funds.

Procedures for working capital

These procedures concern debtors and creditors. The Director of Finance 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 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 Director of Finance 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 Purpose 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 Director of Finance with such external advice as they consider appropriate. Decisions will be taken by Finance & General Purpose Committee, but the Committee may delegate to the Director of Finance 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

⁴ This excludes Scholarships awarded by Industry or Government partners which covers the duration of a nominated student's 2-year MA.

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

Euros: Funds received in Euros, generally for EU-funded projects, will be credited to the foreign exchange bank accounts in that currency. Funds that are not planned for immediate currency conversion or payment to School suppliers may be invested either in linked deposit accounts or money market funds, where the School has freedom to do so, or will be retained in other accounts if required by the funding agency.

US Dollars: Funds received in US dollars will be credited to a foreign exchange bank account in that currency. The School will not hold dollar balances except in anticipation of dollar expenditure in order to reduce transaction costs and exchange rate risk.

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. Changes in the sterling value of approved EU- funded projects will be borne by or credited to the projects, subject to EU rules.

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 Director of Finance may approve hedging arrangements on a case by case basis, subject to the appropriate ISDA arrangements being put in place.

Forecasting, Monitoring and Reporting

The Director of Finance will, with the help of the Management Accountant, 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 and the Development Office, will be made aware of the risks of money laundering and required to follow appropriate procedures.

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

Review: This Policy is subject to review by the Finance & General Purpose Committee on the advice of the Director of Finance at such intervals as it may from time to time determine (not exceeding 3 years).

5.4.3 Anti-money Laundering Policy

The Proceeds of Crime Act 2002, Money Laundering Regulations 2007 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 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 which 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 RSM UK Group Limited. 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 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 the RSM of the standing payroll data (salary, deductions, allowances etc.) for each employee and any approved amendments.

RSM 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 RSM 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 will approve payment of the month's payroll in writing (e-mail) to RSM 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 the following month at the 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 Reporting and reviewed by the Finance Director. The financial statements are provided to the OfS by 1 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 Reporting and reviewed by the Finance Director. The audit usually takes place in March, with approval of the financial statements by the Foundation Trustees 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 by in December. The Registry Department, supported by the Finance Department, are responsible for any information required for this audit.

Screenskills contracts

All Skillset funding contracts with the School which exceed £50,000 are subject to audit.

The main contract with Screenskills is subject to audit annually in May/June. Reports are submitted quarterly with a final financial and narrative report submitted at the end of the contract. The reports for Creative Skillset are prepared by the Head of External and reviewed by the Finance Director.

Inside Pictures Programme

The Inside Pictures programme is funded by Creative Europe and Screenskills and is subject to audited annually in March. The financial reports are prepared by the Head of Reporting and the narrative reports by the Inside Pictures Project Manager, subject to review by the School Director and the Finance Director

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, Registry, and I.T.

An annual report from the Internal Auditors is provided to the Audit Committee each November and forms part of the Annual Assurance Return (AAR) due to the OfS in December.

Statutory and Governance Returns

The following statutory returns are made by the School:

VAT Returns

Submitted quarterly to HMRC by the Head of Reporting after review by the Finance Director.

Corporation Tax Returns

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

PAYE and NIC

Due by 21 of month and paid to HMRC by BACS. Reports and totals to be paid are provided by the payroll outsourcing company. (See Payroll procedures).

Annual Payroll Returns

The majority of returns are now submitted using real time information 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) is due by 22 October and is calculated and submitted to HMRC by the Finance Director.

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

The Freelancers return (Finance Act) Return is due by the 10 November and is submitted to HMRC by the Head of Reporting. The return requires the disclosure of all freelance employees who have worked on film or television production and earned over £1,000 in the financial year.

Charity Commission Returns

Returns are due annually for the School and NFTS Foundation. Returns are completed on line by the Head of Reporting 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, NFTS Foundation and NFTS Enterprises, and are submitted on line by the Head of Reporting following reviewed by the Company Secretary.

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

HESA Returns

Finance HESA returns are submitted annually in December by the Head of Reporting following review by the Finance Director. The returns include the Finance Statistics Return (FSR) and the HE-BCI survey.

Responses to the returns are received from HESA in January and then final returns submitted once any queries have been actioned.

OfS Returns

Financial returns include the:

Five-year forecast

Prepared and submitted by 31 July by the Management Accountant once reviewed by the Finance Director and approved by the Board. See (Financial Planning & Resource Allocation)

Annual Assurance Return (AAR)

The returns are prepared and submitted by the Head of Reporting and Finance Director, including financial tables, annual assurance return, audit committee annual report, external audit management letter, financial commentary, internal audit annual report, VFM report, and the published financial statements.

Returns are due to the OfS by 1 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 following review by the Finance Director and approval by the January Finance and General Purpose Committee.

Student Opportunity Monitoring Return

Due annually in January and is prepared and submitted to the OfS by the Head of Reporting following review by the Registrar.

6.2 Hardship Grants

The School has some limited funds, which may be made available to support students who encounter hardship. The Student Emergency Hardship Grant Fund is a discretionary grant, offering support of up to £2,000 in an academic year, which does not need to be paid back.

We aim to administer these funds as fairly and efficiently as possible, in line with the wishes of donors. In order to do this, we conduct a needs-based assessment.

There is no guarantee of qualification for hardship support as resources are very limited. Applications for funding may result in referrals to specialist services, or advice sessions being offered to minimise costs, maximise income for students or other assistance to help students manage their budget.

Eligibility

To qualify for an award, the principal criteria is that students are genuinely experiencing hardship, are in an emergency financial position and have tried all other avenues of support.

Furthermore, to receive an award from the fund students must evidence that they:

- Have made all possible arrangements to secure available / statutory funding;
- Are making good progress on their course; and
- Are seeking to abide by the principles of good money management, have not been frivolous, and have tried to spend within their means.

We prioritise support for students from one of the groups below as we recognise that some groups of students may require more help than others and we prioritise these students when making awards

These groups include:

- Single parents;
- Students with disabilities
- Student care leavers;
- Estranged students;
- Second year MA students; and
- UK residents.

Award assessment

Applications will be assessed for an award, where their expected income and that of any partner/spouse will be compared against their reasonable expenditure. If there is a clear deficit between the two, we may make an Award to cover the deficit (up to a maximum of £2,000).

In addition, a student may qualify for support when they are faced with unforeseen or exceptional circumstances, such as essential household repairs, emergency situations, etc, for which the School may make an award.

APPENDIX i – Scheme of delegation: Matrix of Responsibility, Accountability, Consulted & Informed (RACI)

Strategy & Policy

	Responsible	Accountable	Consulted	Informed
Approval of corporate strategy and associated resource strategies (including in particular finance, HR, estates and IT & H&S strategies)	Director	Board of Governors	Finance & General Purposes Committee (F&GP)	NFTS Staff, Audit Committee, Key Partner Funders
Delivery strategies (for example, Estates, Learning and Teaching and Fundraising strategies)	Director, Finance Director Operations Director HR Director Director of External Relations & Marketing Registrar	Board of Governors	F&GP Academic Standards Committee Redevelopment Committee Development Committee	Audit Committee, Key Partner Funders, NFTS Staff
Approval of major corporate policies (that is, those which have a substantial material impact on the working conditions of stakeholders of the School or substantially materially affect the School's reputation)	Director	Board of Governors	Audit Committee, Academic Standards Committee	NFTS Staff, F&GP, Key Partner Funders

Budget Allocation and Resources

	Responsible	Accountable	Consulted	Informed
Approval of annual School budget	Director	Board of Governors	F&GP, Management	Audit Committee, Key Partner Funders
Budget Allocation to Individual Departments	Finance Director	Director	F&GP, Management	NFTS Staff

Governance, Management and Control

	Responsible	Accountable	Consulted	Informed
Amendments to Articles of Association	Director	Board of Governors	F&GP, Audit Committee, Key Partner Funders, Management, Company Secretary	NFTS Staff
Approval of Changes to General School Regulations	Registrar	Director	Management, Academic Standards Committee	NFTS Staff, NFTS Students
Approval of Regulations Relating to Taught Programmes	Registrar	Director	Management, Academic Standards Committee, Royal College of Art	NFTS Staff, NFTS Students
Appointment of Board Members	Governance, Appointments and Remuneration Committee	Board of Governors	Director	NFTS Staff, Key Partner Funders Company Secretary

Appointment / Removal of NFTS Director	Chair of the Board	Board of Governors	Governance, Appointments and Remuneration Committee	Key Partner Funders, Key Partner Sponsors, NFTS Staff Company Secretary
School Management Structure	Director	Director	Chair and Deputy Chair of the Board	Board of Governors, NFTS Staff, NFTS Students
Appointment / Removal of Clerk	Chair of the Board	Board of Governors	Governance, Appointments and Remuneration Committee, Director	Management
Approval of Annual Accounts	Finance Director	Board of Governance	Management	Key Partner Funders
Appointment of Auditors	Audit Committee	Board of Governors	Management	Key Partner Funders
Systems of internal financial management and control and accountability, including risk management, financial regulations and financial procedures	Finance Director	Board of Governors	F&GP, Audit Committee, Management	NFTS Staff
Appointment of bankers, opening of bank accounts and designation of bank account signatories	Finance Director	Finance & General Purposes Committee	Director	Management
Interpretation of this Scheme of Delegation	Chair	Chair	Director, Board of Governors	Management

Property, Transactions & Capital Projects

	Responsible	Accountable	Consulted	Informed
Approval of Estates strategy and capital programme	Director	Board of Governors	F&GP, Management	NFTS Staff, Key Partner Funders
Acquisition, construction, refurbishment and disposal of buildings (and acquisition and disposal of land)	<ul style="list-style-type: none"> - Director and Management < £250k - Redevelopment Committee > £250k - < £1million - Board of Governors > £1million 	Board of Governors	F&GP, Management	NFTS Staff, Key Partner Funders
Leasing of properties	<ul style="list-style-type: none"> - Director and Management < £250k - Redevelopment Committee > £250k - < £1million - Board of Governors > £1million 	Board of Governors	F&GP, Management	NFTS Staff, Key Partner Funders

Staff

	Responsible	Accountable	Consulted	Informed
Approval of main features of terms and conditions of employment	Director	Board of Governors	F&GP, Audit Committee, BECTU HR Director	NFTS Staff
All other adjustments to terms and conditions of employment	Director	Director	Management BECTU	NFTS Staff, Chair and Deputy Chair of the Board.
Decision to initiate recruitment of the Finance Director	Director	Governance, Appointments and Remuneration Committee	Board of Governors, HR Director	Key Partner Funders NFTS Staff BECTU
Decision to initiate recruitment to other categories of posts	Director	Director	Management	NFTS Staff
Appointment of casual (non-contracted) staff	Heads of Department	Heads of Department	HR Manager	Management
Authority to terminate an employment contract	Director	Director	Finance Director HR Director	Chair and Deputy Chair of the Board.
Approval of Pay Rise or Honorarium	Director	Director	Finance Director HR Director Management	
Overtime payments	Heads of Department	Heads of Department		

Approval of early retirement	Director		Director of Curriculum and Registrar Finance Director HR Director	NFTS Pension Trustees
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Students

	Responsible	Accountable	Consulted	Informed
Institutional admissions policy and strategy	Registrar	Director	Academic Standards Committee	NFTS Staff
Admission of students	Registrar	Director		RCA (where a concessionary place is offered)
Approval of tuition fees	Director	Board of Governors	Management, Heads of Department	NFTS Staff
Approval of new programmes of study	Registrar	Director	Management, Academic Standards Committee	NFTS Staff
Assessment of taught students & award of degrees and other qualifications	Registrar	Board of Examiners	Heads of Department Royal College of Art	
Determination of appeals by students	Registrar	Director		Academic Standards Committee
Determination of cases of plagiarism and cheating	Registrar	Director		Academic Standards Committee

Award of bursaries and scholarships	Registrar Scholarship Committee	Director	Finance Director Registry	NFTS Students
Exclusion for academic reasons	Registrar	Director	Head of Department	Academic Standards Committee
Exclusion for disciplinary reasons	Registrar	Director	Head of Department	Academic Standards Committee

International Agreements

	R	A	C	I
International Activity including institutional collaboration on curriculum, exchanges and establishment of overseas agents.	Director	Director	Registrar	Board of Governors

Financial Transactions

	R	A	C	I
Bids and tendering	Finance Director Operations Director	Director	Management	
Solicitation and acceptance of gifts	See Donations Policy .			
Approval / Dissolution of subsidiary	Director	Board of Governors	Management	

companies				
Sale or licensing of IP	Director	Director		Management
Management of endowments and other investments (including sale and purchase of investments)	Finance Director	Director	F&GP Director of External Relations & Marketing	Management
Borrowing	- Director < £100k - Board of Governors > £100k	Board of Governors	F&GP, Management	

Forward Commitments

	R	A	C	I
Locking the School into contractual commitments extending over three years	Director	Board of Governors	F&GP, Management	

APPENDIX ii – Public Interest Disclosure and “Whistleblowing” policy

The National Film and Television School (the “School”) is committed to the highest standards of openness, probity and accountability. The School seeks to conduct its affairs in a responsible manner, taking into account the requirements of the funding bodies and the Committee on Standards in Public Life (the Nolan Committee). However, all organisations face the risk of the unexpected happening from time to time, or of unknowingly being subject to illegal or unethical conduct. A culture of openness and accountability is essential to prevent such situations occurring and to address them appropriately when they do occur.

This Public Interest Disclosure and “Whistleblowing” Policy (“Public Interest Disclosure and “Whistleblowing” Policy”) is intended to:

- Assist staff and students who believe that they have discovered malpractice or impropriety and encourage them to report the suspected malpractice or impropriety as soon as possible, in the knowledge that their concerns will be taken seriously and investigated, as appropriate, and that confidentiality will be respected;
- Provide staff and students with guidance as to how to raise genuine concerns; and
- Reassure staff and students that they should be able to raise such concerns without fear of reprisals, even if they turn out to be mistaken.

This Public Interest Disclosure and “Whistleblowing” Policy is intended to cover disclosures that are in the public interest and it is not designed to question financial or business decisions taken by the School, nor should it be used to reconsider any matters which have already been dealt with under any grievance or disciplinary procedure.

This Public Interest Disclosure and “Whistleblowing” Policy covers all persons connected with the School, including employees, officers, consultants, contractors, volunteers, interns, casual workers, agency workers, students and Governors. For the purposes of this Public Interest Disclosure and “Whistleblowing” Policy, such persons shall be referred to as “Members of the School”.

This Public Interest Disclosure and “Whistleblowing” Policy does not form part of any employee's contract of employment and it may be amended at any time.

What is “Whistleblowing”?

Whistleblowing is the reporting of suspected malpractice, wrongdoing or dangers in relation to the School’s activities. This Public Interest Disclosure and “Whistleblowing” Policy is designed to allow Members of the School to raise concerns at a high level or to disclose information which a Member of the School believes may show suspected malpractice, wrongdoing or dangers in relation to the School’s activities. These might include:

- Financial malpractice, impropriety or fraud;
- Failure to comply with a legal obligation or with the Statutes, Ordinances and regulations of the School;
- Dangers to health and safety and the environment;
- Criminal activity;

- Academic malpractice;
- Improper conduct or unethical behaviour;
- Miscarriages of justice;
- Unauthorised disclosure of confidential information;
- Conduct likely to damage the School's reputation; and/or
- Attempts to conceal any of the above.

Protection

It is understandable that whistle-blowers are sometimes worried about possible repercussions of making a disclosure. The School aims to encourage openness and will support Members of the School who raise genuine concerns under this Public Interest Disclosure and "Whistleblowing" Policy, even if they turn out to be mistaken.

Whistle-blowers will not suffer any detrimental treatment (e.g., dismissal, disciplinary action, threats or other unfavourable treatment) as a result of making a disclosure that is in the public interest provided that:

- (i) the disclosure is made in good faith; and
- (ii) the Member of the School making the disclosure reasonably believes that the disclosure reveals prima facie evidence of malpractice.

Such Member of the School will be protected if they make the disclosure to the appropriate person (see below). The School will not threaten or retaliate against whistle-blowers.

If a whistle-blower feels that they s/he has been subjected to a detriment having made a disclosure, s/he should contact the HR Director.

Confidentiality

The School will treat all disclosures in a confidential and sensitive manner. The School will generally try to keep the identity of the Member of the School making the disclosure confidential. However, an investigation process may reveal the source of the information, and the Member of the School making the disclosure may need to provide a statement in order for the matter to be pursued effectively.

Anonymous Allegations

The School encourages Members of the School to put their names to any disclosures that they make. Concerns expressed anonymously are much less powerful and can be much harder to investigate if the School cannot obtain further information. However, such disclosures will still be considered if they appear to be serious, credible and capable of being confirmed by other credible sources.

Untrue Allegations

If a Member of the School makes an allegation in good faith which is not confirmed by a subsequent investigation, no action will be taken against that Member of the School. If, however, a Member of the School makes malicious or vexatious allegations, or false

allegations with a view for personal gain, disciplinary action may be taken against the individual concerned.

Procedure for Making a Disclosure

Initial Step - The School hopes that in many cases Members of the School will be able to raise any concerns that they have with their line manager/tutor. However, if making a disclosure to their line manager/tutor is inappropriate or has proved ineffective, then they should make the disclosure to the – the HR Director (in the case of staff) or Registrar (in the case of students) - who have been designated by the Board of Governors as the people responsible for considering such allegations.

If the disclosure relates to either of the Whistleblowing Officers, then the disclosure may be made to the Director of the School. If Members of the School do not wish to make the disclosure to the above, s/he may raise the matter with the Chairman of the Audit Committee.

Members of the School can also speak informally to their Trade Union (staff) or Student Union (students) representative.

Process - A designated person, appointed by the appropriate Whistleblowing Officer, will consider the information available and decide if there is a prima facie case to answer. In doing so the designated person will decide whether an investigation should be conducted and what form such an investigation should take. This will depend on the nature of the matter raised, and may include an internal investigation, an independent inquiry or referral to the Police. An initial investigation to establish all the relevant facts may also be conducted by an independent officer of the School, who will report his/her findings to the designated person.

If a meeting is needed with the whistle-blower to obtain further information, the School will arrange this as soon as practicable. The whistle-blower may bring a colleague or union representative to this meeting, but his/her companion must respect the confidentiality of the disclosure and subsequent investigation.

Investigation - If the designated persons and/or independent officer of the School decide that an investigation into the disclosure should be carried out, the investigation should not be undertaken by the person who will have to reach a decision on the matter. Any investigation will be carried out as sensitively and speedily as possible.

The designated person will consider the results of the investigation and may refer the matter to an external authority for further investigation.

Decision - After an investigation has been carried out, the Director of the NFTS or, if the Director is implicated, the Chairman of the Board will decide on an appropriate course of action, based on the information available.

The School will aim to keep the whistle-blower informed of the progress of the investigation and its likely timescale. However, sometimes the need for confidentiality may prevent the School from giving the whistle-blower specific details of the investigation or any disciplinary action taken as a result. The whistle-blower should treat any information about the investigation as confidential.

While the School cannot always guarantee the outcome that the whistle-blower is seeking, the School will try to deal with the whistle-blower's concern fairly and in an appropriate way. By using this Public Interest Disclosure and "Whistleblowing" Policy, whistle-blowers can help the School to achieve this.

Reporting of Outcomes - A record of all disclosures, and subsequent actions taken, will be kept by the HR Director who will retain such records for not less than three years. In all cases, a report of the outcomes of any investigations will be made to the Audit Committee.

External Disclosures

The aim of this Public Interest Disclosure and "Whistleblowing" Policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing in relation to the School's activities. In most cases, Members of the School should not find it necessary to alert anyone externally.

However, the law recognises that in some circumstances it may be appropriate for Members of the School to report their concerns to an external body, such as an education regulator. It will very rarely if ever be appropriate to alert the media, and could be counter-productive. The School strongly encourages Members of the School to seek advice before reporting a concern to anyone external. The independent whistleblowing charity, [Public Concern at Work](#), operates a confidential helpline. It also has a list of prescribed regulators for reporting certain types of concern.