

London School of Hygiene and Tropical Medicine

# Financial Regulations

September 2025

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## Further information and contact details

Finance intranet site: <https://lshtm.sharepoint.com/Services/Finance/>

Procurement intranet site: <https://lshtm.sharepoint.com/Services/Procurement/>

Research Finance intranet site: <https://lshtm.sharepoint.com/Services/Research-Operations/>

## Queries: Financial Regulations and Procedures

The Deputy Finance Director can advise on issues relating to the Financial Regulations and

Procedures: James Sole, [james.sole@lshtm.ac.uk](mailto:james.sole@lshtm.ac.uk)

Payroll and expenses: Annette Jemide, Head of Payroll, Pensions and PAYE Compliance,  
[Annette.jemide@lshtm.ac.uk](mailto:Annette.jemide@lshtm.ac.uk)

Procurement: TBC, Head of Procurement, [Procurement@lshtm.ac.uk](mailto:Procurement@lshtm.ac.uk)

## 1. Introduction

### 1.1. Purpose

1.1.1. The Financial Regulations form part of LSHTM’s overall internal control framework in ensuring the following:

- LSHTM’s governance responsibilities are satisfied
- Financial probity is maintained
- LSHTM is not exposed to unacceptable levels of risk

1.1.2. The main purpose of the Financial Regulations is to provide control over the totality of LSHTM’s resources and to provide management with assurances that the resources are being properly applied for the achievement of [LSHTM’s Strategic Plan](#).

- 1.1.3. The Financial Regulations have been developed with the aim of providing a tool for all LSHTM employees, and Council and Committee members to assist in decision making when conducting activities on behalf of LSHTM.
- 1.1.4. The Financial Regulations contain the key high-level principles. The reader should gain an understanding of LSHTM's overall approach toward financial management and control. The Financial Regulations are supported by more detailed financial policies, which are referenced throughout.
- 1.1.5. References to 'LSHTM' in these Financial Regulations include the LSHTM/MRC Units and LSHTM's subsidiaries unless explicitly stated otherwise.
- 1.1.6. If one of the LSHTM/MRC Units or a subsidiary require an exception to the Financial Regulations, this must be approved by Council. If one of the LSHTM/MRC Units or a subsidiary require an exception to a finance policy, the proposal must be submitted to the Secretary to Council who will decide the appropriate approval body. A register of policies and the exceptions will be maintained. When policies are written or reviewed in the Units or subsidiaries, they must highlight any discrepancies to the Financial Regulations or other policies and share the draft with the LSHTM Finance team for consultation.

## 1.2. Status

- 1.2.1. The Financial Regulations have been approved by Council on recommendation of the Finance and Development Committee. The Secretary to Council will advise whether subsequent amendments to the Financial Regulations require approval by Council or are minor, clarifying or administrative amendments to the Financial Regulations which will be approved by the Finance and Development Committee. The Secretary to Council will also advise whether the changes are operational changes to the detailed financial policies which should be approved by the Executive Team following recommendation from the Finance Director. This will enable LSHTM to reflect the dynamic nature of its environment in the timeliest manner possible.
- 1.2.2. The Financial Regulations will be substantially reviewed as a minimum every three years and approved by Council.
- 1.2.3. Compliance with the Financial Regulations is compulsory for all members of Council and Committees as well as members of staff of LSHTM, including those employed locally at the LSHTM/MRC Units and LSHTM subsidiaries. A Council or Committee member or a member of staff who fails to comply with the Financial Regulations may be subject to disciplinary action under LSHTM's disciplinary procedures.
- 1.2.4. Compliance with the Financial Regulations is compulsory for all visitors, guests and contractors of LSHTM.
- 1.2.5. The principles contained in these Financial Regulations are equally applicable to the LSHTM/MRC Units and LSHTM's subsidiaries, though the LSHTM/MRC Units and LSHTM's subsidiaries may also have finance policies and procedures which reflect local requirements. Where there is a conflict between these Financial Regulations and local Unit policies or those of LSHTM's subsidiaries, then these Financial Regulations will be regarded as the prevailing document unless the exception has been approved in accordance with paragraph 1.2.1 above.

- 1.2.6. It is the responsibility of the Finance Director to ensure these Financial Regulations are available on the LSHTM website. It is the responsibility of the Deans, Unit Directors and Heads of Professional Services areas to ensure their staff understand the content of these Financial Regulations.
- 1.2.7. In exceptional circumstances, Council, on the recommendation of the Finance and Development Committee, may authorise a departure from the detailed provisions herein.
- 1.2.8. The Financial Regulations apply to all LSHTM's activities, including its subsidiary undertakings, and irrespective of the source of funding.

## 2. Corporate Governance

### 2.1. Roles and responsibilities

2.1.1. The roles and responsibilities for financial matters is summarised in the table below.

Council	Ultimate responsibility for LSHTM's finances, assets, property and estates, including ensuring systems of control and accountability are established and monitored. Council delegates some authority to its Committees and the Director.
Council Committees	Finance and Development Committee advises Council on financial strategy and policy, budget setting and financial forecasts, financial performance and capital projects. Audit and Risk Committee oversees arrangements for external and internal audit, financial control and data assurance, and risk management. Remuneration Committee reviews the performance and determines the annual remuneration of senior staff and policies related thereto. The Unit Committees advise the LSHTM/MRC Units on financial strategy and policy, and financial performance. All Committees make recommendations to Council on matters within their remit.
Director	The 'Accountable Officer' under the Financial Memorandum between the Office for Students (OfS) and LSHTM, responsible for ensuring that funds from OfS are used only for the purposes provided. Has delegated authority from Council for the academic, corporate, financial, estate and human resource management of LSHTM.
Executive Team	Supports the Director on management and strategy issues, including matters which may have a financial impact.
Chief Operating Officer	Responsible for LSHTM's medium term financial and business planning, forecasting, budgeting and resource allocation processes; development of financial and investment strategies.
Secretary to Council	Responsible for LSHTM's governance arrangements and for the strategic leadership, management and development of several professional services of the School. The post-holder will be an advisory member of the School's Executive Team. The post-holder will act as Secretary to the School's governing body (Council) and will be responsible to the Chair of Council for supporting and advising Council and its Committees.

Finance Director	Day-to-day financial matters, including preparing annual capital and revenue budgets and financial plans; preparing accounts and management information for the monitoring and control of expenditure against budgets; preparing LSHTM's annual accounts and financial statements; ensuring LSHTM has satisfactory systems of financial control; providing professional advice on all matters relating to financial policies and procedures.
Finance Business Partner team	Preparation of, monitoring of and reporting against detailed operating and capital budgets (excluding research and other fully externally funded project activities) for Faculties and Central Service departments; providing first-line support for finance matters raised by budget holders.
Research Finance	Preparation of, monitoring of and reporting against detailed operating budgets relating to externally funded projects (research and non-research).
Budget holders	Deans of Faculty, Unit Directors, Heads of Professional Services, and other budget holders are responsible for financial control and management in their areas of responsibility.
<b>All members of staff</b>	<b>All members of staff should be aware of and have a general responsibility for the security of LSHTM's assets, whether physical or financial, for avoiding loss and for due economy in the use of resources.</b>

## 2.2. Risk management

- 2.2.1. LSHTM acknowledges the risks inherent in its activities, and is committed to managing those risks that pose a significant threat to the achievement of its objectives and financial health.
- 2.2.2. LSHTM has in place a [risk management policy](#), including detailed procedures for managing and monitoring identified risks. The strategic risk register is reported through management to the Audit and Risk Committee and subsequently to Council.
- 2.2.3. The principles of risk management are embedded in LSHTM's procedures at all levels. Deans of Faculty, Unit Directors and Heads of Professional Services are responsible for risk management in their areas of responsibility.

## 2.3. Code of conduct

### 2.3.1. Fraud, bribery and corruption

- 2.3.1.1. All staff (including at the LSHTM/MRC Units and employed by subsidiary companies), Council members and Committee members must ensure that they do not breach the [UK Bribery Act 2010](#) and must comply at all times with LSHTM's [Anti-Fraud, Bribery and Corruption Policy](#), regardless of where they undertake LSHTM business.
- 2.3.1.2. Suspected fraud or irregularities must be reported immediately in accordance with the [Anti-Fraud, Bribery and Corruption Policy](#).
- 2.3.1.3. Staff based outside of the UK must also ensure they comply with any similar local legislation.

### 2.3.2. Money laundering

- 2.3.2.1. All staff (including at the LSHTM/MRC Units and employed by subsidiary companies), Council members and Committee members must comply at all

times with [Money Laundering Regulations 2017](#) , the UK Bribery Act 2010 and all other regulations on, or related to, money laundering and related offences, regardless of where LSHTM business takes place.

2.3.2.2. Staff based outside of the UK must also ensure they comply with any similar local legislation.

### 2.3.3. Modern slavery

2.3.3.1. All staff (including at the LSHTM/MRC Units and employed by subsidiary companies), Council members and Committee members must comply at all times with the [Modern Slavery Act 2015](#), regardless of where LSHTM business takes place. The LSHTM [Anti-Slavery and Human Trafficking Statement](#) details how LSHTM will ensure that staff act ethically and with integrity in all relationships, and use all reasonable endeavours to take action directly to influence others to ensure slavery and human trafficking is not taking place.

2.3.3.2. Staff based outside of the UK must also ensure they comply with any similar local legislation.

## 2.4. Conflicts of interest

2.4.1. All staff (including at the LSHTM/MRC Units and employed by subsidiary companies), Council members and Committee members must formally declare any potential conflicts of interest (actual or perceived) to their line manager when undertaking LSHTM business as soon as the risk is identified and at least annually. All members of Council and its Committees and members of Executive Team should declare their interests annually, as a minimum.

2.4.2. All declarations must be made in writing and comply with the requirements stipulated in the [Conflicts of Interest Policy](#).

2.4.3. "Interest" includes financial involvement of spouses, partners, children, parents or other immediate family.

## 2.5. Receiving gifts or hospitality

2.5.1. The guiding principles to be followed by all members of staff (including at the LSHTM/MRC Units and employed by subsidiary companies), Council members and Committee members are:

- Individuals must not be influenced by a benefit to show favour or disfavour to any person or organisation in relation to LSHTM business;
- The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest;
- The conduct of individuals acting in an official capacity should not give the impression that they have been influenced by a benefit to show favour or disfavour to any person or organisation.

2.5.2. The [Gifts and Hospitality Guidance](#) provides further details, including how to complete the required declarations.

## 3. Financial Management

### 3.1. Financial planning

- 3.1.1. The Finance Director, is responsible for preparing annually a rolling five-year financial plan. These plans are reviewed by the Executive Team for approval by Council on the recommendation of the Finance and Development Committee. Financial plans must be consistent with LSHTM's strategic plan and objectives therein as approved by Council.
- 3.1.2. Council will, from time to time, set budget objectives for LSHTM. These will inform the Executive Team, the Chief Operating Officer and the Finance Director in preparing their more detailed financial plans.
- 3.1.3. Any new aspects of business that will require an investment in buildings, resources or staff time should be approved in line with Table 2 in Annex A.

### 3.2. Resource allocation and budget preparation

- 3.2.1. Resources are allocated annually by Council on the recommendation of the Finance and Development Committee, and on the basis of the agreed financial planning objectives.
- 3.2.2. Finance and Development Committee are in turn informed by the detailed annual revenue and capital budget setting process, led by the Chief Operating Officer and Finance Director. Budget proposals and priorities are discussed by the Executive Team. The Executive Team recommends these budgets to Finance and Development Committee.
- 3.2.3. Each budget area is expected to generate its budgeted level of income from its activities (where relevant) and contain its expenditure within an agreed allocated budget.
- 3.2.4. LSHTM has capital, as well as revenue, resources and budgets. The capital programme includes all expenditure over £10,000 and a life of more than one year on land, buildings, equipment, furniture or vehicles.

## 4. Financial Control

### 4.1. Delegated authority schedule

- 4.1.1. No financial transaction will be processed without proper authorisation. It is the responsibility of all staff (including at the LSHTM/MRC Units and employed by subsidiary companies), Council members and Committee members to ensure that commitments entered into are legal and reasonable, and provide value for money by complying with the [Procurement Policy](#).
- 4.1.2. The Delegated Authority Schedule (Annex A) states the Committees and individuals authorised to approve expenditure within approved budget limits on:
  - Budgets and general expenditure;
  - Land and property;
  - Procurement;



- Treasury and cash management;
- Income;
- Donations and endowments.

## 4.2. Budgetary control

- 4.2.1. The control of income and expenditure within an agreed budget is the responsibility of the designated budget holder, who must ensure that day-to-day monitoring is undertaken effectively.
- 4.2.2. Significant departures from agreed budgetary targets must be reported immediately to the Finance Director and, if necessary, corrective action taken.
- 4.2.3. Budget holders are assisted in their duties by additional management information provided by the Finance Director and Finance Business Partner team or Research Finance team, depending on the source of the income.
- 4.2.4. Changes proposed to the approved institutional budget will first be considered by the Finance and Development Committee, which will make proposals to Council, unless they fall within the delegated approval arrangements set out in the Delegated Authority Schedule.
- 4.2.5. During the year, the Finance Director, is responsible for submitting revised financial forecasts to the Finance and Development Committee for consideration before submission to Council.
- 4.2.6. Virements between budgets are allowable, up to the limits set out in the Delegated Authority Schedule. All virements affecting research grant income and expenditure and earmarked grants including funds for capital projects are subject to the funding or award body regulations.
- 4.2.7. At the year end, budget holders will not normally have the authority to carry forward a balance on their budget to the following year. The exceptions to this are multi-year grants and contracts, multi-year capital projects and Academic Support Accounts (previously known as 'nominal accounts'). The total project budget / total balance in a research support account must not be exceeded. Further details of the financial arrangements for Academic Support Accounts are set out in the [guidance for Project Administrators](#).

## 4.3. Income and credit control

- 4.3.1. The Finance Director is responsible for ensuring that appropriate systems are in place to enable LSHTM to receive all income to which it is entitled. This responsibility includes ensuring that systems are in operation for the timely issue of invoices, prompt collection, recording, security and banking of all income when received.
- 4.3.2. Appropriate checks must be undertaken to ensure the credit worthiness of non-student customers.
- 4.3.3. Only official LSHTM sales invoices may be used and these should be generated using LSHTM's finance or student records systems (currently TechnologyOne Financials and SITS respectively). Invoices should be raised in all circumstances, except where a specific exemption is agreed by the Finance Director.
- 4.3.4. The responsibility for pursuing debts rests with the Finance Director. All staff are required to provide whatever information is needed to assist this process.

#### 4.3.5. Income received

- 4.3.5.1. Monies received in departments must be remitted to the Finance Department, on a daily basis or at such other interval as may be specified by the Finance Director.
- 4.3.5.2. Cash received at Seacole Social to be collected by LSHTM's authorised cash management firm.

#### 4.3.6. Irrecoverable debts

- 4.3.6.1. Requests to provide for or to write off individual debts in excess of £40,000 must be referred to the Finance Director for submission to the Finance and Development Committee for approval annually. Debts below this level may be written off with the permission of the Finance Director, the total value of which is reported to Finance and Development Committee annually.
- 4.3.6.2. Expenditure on research grants and contracts, consultancies and other externally funded projects which cannot be recovered from the sponsor or budget overspends will be charged back to the originating Academic Department or Faculty.
- 4.3.6.3. Underspends and overspends resulting from foreign exchange differences will be charged to a central budget code.

#### 4.4. Intellectual property

- 4.4.1. Certain activities undertaken by LSHTM, including research and consultancy, may give rise to ideas, designs and inventions which may be patentable. These are collectively known as intellectual property.
- 4.4.2. Intellectual property created by an LSHTM employee in the normal course of their duties of employment will normally belong to LSHTM.
- 4.4.3. In the event that LSHTM decides to explore the commercialisation of intellectual property, then the matter must proceed in accordance with LSHTM's [Intellectual Property Policy](#).

#### 4.5. Expenditure

- 4.5.1. This section does not apply to the LSHTM/MRC Units, which have their own delegated authority and approvals processes for expenditure. Further details are available from the relevant Unit COO or Unit Head of Finance.
- 4.5.2. The Finance Director is responsible for making payment to suppliers.
- 4.5.3. Budget holders are responsible for ordering and authorising payment for purchases of goods and services. The Finance Director, acting through the Head of Procurement, is responsible for ensuring appropriate processes are followed as set out in the [Procurement Policy](#).
- 4.5.4. Budget holders must not commit LSHTM to any expenditure without ensuring that sufficient budgeted funds are available to meet the purchase cost of goods and services and ensuring that the purchase would be eligible under the funder's terms and conditions.
- 4.5.5. All expenditure commitments must be authorised in line with the Delegated Authority Schedule, see Annex A.

#### 4.5.6. Requisitions, purchase orders and invoices

- 4.5.6.1. The commitment of any expenditure on supplies, services and works must be in accordance with the [Procurement Policy](#).
- 4.5.6.2. Official LSHTM purchase orders must be placed for the purchase of all goods and services, except those using a corporate credit card or claimed through staff expenses or payments to collaborators. See guidance below on selecting the appropriate means of purchase.
- 4.5.6.3. The Procure to Pay (P2P) process has five distinct stages, all of which must be followed:
  - i. Raising a requisition on the finance system (currently TechnologyOne Financials);
  - ii. Approving the requisition: this must be done by the appropriate budget holder;
  - iii. Creating a purchase order on TechnologyOne Financials (which are generally then sent to the supplier);
  - iv. Recording on TechnologyOne Financials when the goods or services have been received; and
  - v. Receipt and payment of the supplier invoice by the Accounts Payable team in the Finance department.
- 4.5.6.4. To ensure full segregation of duties, a minimum of three separate people are required to undertake the P2P process. These are:
  - The person who initially raises the requisition;
  - The person, who must be a budget holder for that account, who then approves that original requisition (additional approvals may also be required depending on the value, see Annex A); and
  - The Accounts Payable section in the Finance department pay the invoice.
- 4.5.6.5. A requisition cannot be raised and approved by the same person. Self-approval is not permitted.

#### 4.5.7. Means of payment

- 4.5.7.1. The primary means of purchasing goods and services is for a purchase order to be raised with the supplier who will then invoice LSHTM.
- 4.5.7.2. Where appropriate, the Finance Director may approve the issuing of an LSHTM credit card. Such cards shall be used for the payment of valid business expenses only, and the misuse of such cards shall be grounds for disciplinary action.
- 4.5.7.3. Further guidance on credit cards is contained within the [Credit Card Policy](#) and the Credit Card terms and conditions of use.
- 4.5.7.4. The LSHTM/MRC Units operate a separate card scheme and while this remains in place will follow the agreed Unit procedures for this scheme.
- 4.5.7.5. Credit cards should only be used to purchase low value goods and services where LSHTM does not have a contracted supplier, one-off purchases from a supplier or 'out of pocket' expenses (including certain approved

entertainment/hospitality costs). Further details can be found in the [Credit Card Policy](#).

#### 4.5.8. Advances

- 4.5.8.1. Where advances are made to members of staff, primarily for reasons of foreign travel, these advances should be accounted for within seven working days of returning to LSHTM. Further advances will not be made to members of staff who have previous advance accounts outstanding.
- 4.5.8.2. Further details can be found in the [Advances for Expenses Policy](#).

#### 4.6. Accounting records

- 4.6.1. The Finance Director is responsible for the retention of financial documents. These should be kept in a form that is acceptable to the applicable authorities. LSHTM is required by law to retain certain documents for six years following the financial year to which they relate, including paid invoices, bank statements, copies of receipts, paid cheques and payroll records. The Finance Director will make appropriate arrangements for the retention of electronic records.
- 4.6.2. Specific retention requirements of applicable funding organisations or their auditors are available on the [Research Operations intranet site](#).

### 5. Research Grants and Contracts

#### 5.1. General definitions

- 5.1.1. Research can be defined as original investigation, undertaken to gain new knowledge and understanding which may be directed towards a specific aim or objective.
- 5.1.2. Financial management of research grants and contracts will be as set out in these Regulations and associated financial policies, unless a funder's terms expressly require an alternative. These should be discussed and agreed with the Chief Operating Officer in advance of any application for funding being made.

#### 5.2. Project life cycle and responsibilities

- 5.2.1. Research projects move through a number of stages during their 'life cycle' and the responsibilities and considerations of the financial implications and risks to LSHTM vary at different stages of this cycle, as outlined below.
- 5.2.2. All research projects, regardless of the funder, should move through this life cycle and the considerations in each stage should be applied consistently. Lead responsibilities for the LSHTM/MRC Units may differ from those stated in the table below to align to agreed local arrangements.
- 5.2.3. The following project life cycle also applies to grants and contracts for non-research project funding such as delivery of outreach activities, education initiatives, publishing of journals.

Project life cycle stage	Key requirements	Lead responsibility
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Outline proposal	Evaluation through 'Letter of Intent' process	Faculty management
Application – detailed proposal	Detailed proposal of research to be undertaken	Principal Investigator (PI)
Application – costing	Costing on a 'full economic cost' (fEC) basis in order to recover sufficient indirect costs, via standard costing tool	PI / FOO / Research Pre-Award team / COO (over £1m)
Application – pricing	Where determined by funder terms, ensure terms are met; Where negotiated, minimum 100% fEC recovery	PI / FOO / Research Pre-Award team / COO (over £1m)
Application – submission	Ensure complete and meets funder deadlines	Research Pre-Award team
Notification of award	Review terms of award	Research Contracts team
Sub-contracting - Collaborations	Drafting, negotiating and approval in line with Delegated Authority Schedule	PI / Research Contracts team / Finance Director / COO
Sub-contracting – Due Diligence	Due diligence undertaken on all sub-contractors (collaborators) in line with Due Diligence <a href="#">Policy</a>	PI / Project team Due Diligence Analyst
Acceptance of award	Can only be accepted in line with Delegated Authority Schedule	See Annex A – Delegated Authority Schedule
Project initiation	Fully executed contract; Project set-up on finance system, including budget	Research Finance team
Project reporting – scientific	Report as per sponsor/contract terms	PI / Project team
Project reporting – financial	Report as per sponsor/contract terms	PI / Project team (annotation and justification); Research Finance team (preparation, review and submission)
Invoicing sponsor	Raise as per sponsor/contract terms	Research Finance team
Credit control	Collect amounts due per sponsor/contract terms	Finance Accounts Receivable team
Project time extensions	Costed extension – new budget approval via standard costing tool  No cost extension – determine resource impacts	PI / Department Manager / Research Pre-Award team / Research Contracts team
Project finalisation – scientific	Report as per sponsor/contract terms	PI

Project finalisation – financial	Report as per sponsor/contract terms	PI / Project team (annotation and review); Research Finance team (preparation, approval and submission)
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5.2.4. Further detailed policies, procedures and guidance can be found on the [Research Operations intranet site](#).

### 5.3. Consultancy services (provided by LSHTM)

5.3.1. Consultancy is the provision of services to external clients based primarily on skills and expertise. This includes offering specialist opinion, advising on technical issues or solving problems, but does not involve the generation of new knowledge or original investigation, and so does not qualify as research under the definition above. All such work must comply with LSHTM’s [Consultancy Policy](#).

5.3.2. The key requirements and responsibilities for consultancy work should be broadly consistent with those for research grants and contracts set out above. The minimum expected cost recovery for consultancy work is set out in the [Consultancy Policy](#).

## 6. Salaries, Wages and Other Personal Payments

### 6.1. LSHTM/MRC Units

6.1.1. The LSHTM/MRC Units are required to operate to local regulations and employment laws and will maintain their own procedures applicable for remuneration and appointment of locally employed staff, therefore Section 6 does not apply to the LSHTM/MRC Units.

### 6.2. Remuneration policy

6.2.1. LSHTM staff at grades 1-8 are appointed to LSHTM’s Professional Support / Academic Staff salary scales. Staff at grade 9 are appointed to the Professorial and PS9 grades and salary bands in accordance with appropriate conditions of service. All letters of appointment must be issued by the Human Resources department. Full details of procedures to be followed during the recruitment process are available on the [Human Resources intranet pages](#).

6.2.2. The Executive Team will determine what other benefits are to be available, the basis of their provision (contributory or not) and the staff to whom they are to be available.

6.2.3. Salary and other benefits of the Director and other Executive Team members (plus the Secretary to Council) will be determined by the Remuneration Committee of Council.

### 6.3. Appointment of staff

6.3.1. All contracts of service shall be concluded in accordance with LSHTM’s approved human resources practices and procedures and all offers of employment shall be made in writing by the Human Resources department.

6.3.2. Established staff (those on core funding not external funding) may only be appointed to formally released posts, as confirmed by the Executive Team.

## 6.4. Salaries and wages

6.4.1. The Finance Director is responsible for all payments of salaries and wages to all staff including payments for services rendered. The Director of Human Resources is responsible for keeping the Finance Director informed of all matters relating to human resources for payroll purposes. In particular these include:

- Appointments, resignations, dismissals, secondments and transfers;
- Absences from duty for sickness or other reason, apart from approved leave;
- Changes in remuneration other than normal increments and pay awards;
- Information necessary to maintain records of service for superannuation, income tax and national insurance.

6.4.2. The Finance Director is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll. The Finance Director will be responsible for keeping all records relating to payroll including those of a statutory nature.

## 6.5. Superannuation

6.5.1. Council is responsible for undertaking the role as employer in relation to appropriate pension arrangements for employees. The Finance Director is responsible for day-to-day superannuation matters, including:

- Paying contributions to various authorised superannuation schemes;
- Preparing the annual return to various superannuation schemes.

6.5.2. The Director of Human Resources is responsible for administering eligibility for pension arrangements and for informing the Finance Director when deductions should begin or cease.

## 6.6. Travel, subsistence and other allowances

6.6.1. All claims for reimbursement of subsistence allowances, travelling and incidental expenses shall be made in accordance with LSHTM's [Expenses Policy](#) and [Travel Policy](#).

6.6.2. Such expenses will normally only be reimbursed if they are eligible for deduction from earnings under tax legislation; in general terms this means that they have been incurred wholly, exclusively and necessarily in the performance of a person's duties of employment.

6.6.3. Claims for reimbursement of expenses must be supported by official receipts or other valid documentation, provide a clear and accurate description of the purpose of payment and be properly authorised in line with the Expenses Policy.

6.6.4. All claims should be made promptly and within the time limits set within the Expenses Policy.

## 6.7. Severance and other termination payments

6.7.1. Severance payments shall only be made in accordance with relevant legislation. Professional HR and legal advice should be obtained where necessary. Such payments must not exceed the budget allocated for the purpose. All such payments shall be authorised by the Human Resources Director or their nominee and calculations checked by relevant HR and/or Finance representative where necessary.

## 7. Other

### 7.1. Banking arrangements and treasury management

#### 7.1.1. Appointment of bankers and other professional advisers

- 7.1.1.1. Council is responsible for the appointment of LSHTM's bankers and other professional financial advisers (such as investment managers) on the recommendation of the Finance and Development Committee. Such appointments shall be for a specified period after which consideration shall be given to competitive tendering for the service.

#### 7.1.2. Banking arrangements

- 7.1.2.1. The Finance Director is responsible, on behalf of the Finance and Development Committee, for liaising with LSHTM's bankers in relation to the operation of bank accounts.
- 7.1.2.2. Only the Finance Director may authorise the opening or closure of a bank account for dealing with LSHTM's funds, and all accounts must be in the name of LSHTM or one of its subsidiaries.
- 7.1.2.3. The Finance Director is responsible for ensuring there are appropriate financial procedures in place to manage payments made from LSHTM's bank accounts, including appropriate authorisations, as well as ensuring regular reconciliation and that large or unusual items are investigated as appropriate.
- 7.1.2.4. The LSHTM/MRC Units are exempt from the above and are responsible for local banking arrangements, however bank accounts should be in the name of the LSHTM/MRC Unit.

#### 7.1.3. Treasury management

- 7.1.3.1. The Finance Director is responsible for preparing and recommending to the Finance and Development Committee a Treasury Management Policy, which sets out a strategy and policies for cash management and investments.
- 7.1.3.2. The Investment Working Group advises the Finance and Development Committee on the medium to long term investment (i.e. for more than one year) of donations and endowments.
- 7.1.3.3. Responsibility for ensuring implementation, monitoring and review of the Treasury Management Policy resides with the Finance Director. Management of short-term cash and investments (i.e. for up to a year) is delegated to the Chief Operating Officer within the parameters prescribed in the Treasury Management Policy.

### 7.2. Borrowing

- 7.2.1. The Council, on the recommendation of the Finance and Development Committee, must approve all overdraft facilities and borrowings. The Committee should be aware of any borrowing limits imposed by the Office for Students or other regulators.



7.2.2. The Finance Director will advise the Finance and Development Committee concerning LSHTM's ability to pay interest on, and repay, both the originating capital debt and any proposed new borrowing.

7.2.3. Borrowing by any of LSHTM's subsidiaries will usually be limited to loans from LSHTM. These intercompany loans must be approved by the Executive Team on behalf of LSHTM and by the Directors of the subsidiary with any conflicts of interest being noted.

### 7.3. Taxation

7.3.1. The Finance Director is responsible for advising, in light of guidance issued by appropriate bodies and relevant legislation, on all taxation issues affecting LSHTM. They will issue instructions on compliance with statutory requirements, including those concerning VAT, PAYE, National Insurance, Corporation Tax and Import Duty. This also includes overseas tax matters where relevant.

7.3.2. LSHTM, the LSHTM/MRC Units, LSHTM's subsidiaries, all staff and other associated bodies and persons must not knowingly engage in tax evasion – acting dishonestly to reduce a tax liability – or facilitate tax evasion by a third party. The [Criminal Finances Act](#) and other relevant legislation must be complied with by all staff.

7.3.3. The Finance Director is responsible for maintaining tax records, making tax payments, receiving tax credits and submitting tax returns by their due date as appropriate on behalf of LSHTM and LSHTM's subsidiaries.

7.3.4. The LSHTM/MRC Units are responsible for maintaining tax records, making payments and submitting required returns for local taxes.

### 7.4. Insurance

7.4.1. The Finance Director is responsible for reporting to the Finance and Development Committee regarding LSHTM's insurance arrangements, including the provision of advice on the types of cover available. As part of the overall strategy for risk management (see section 2.2), all risks will have been considered and those most effectively dealt with by insurance cover will have been identified.

7.4.2. The Finance Director is responsible for the day-to-day operation of all insurance matters, including obtaining quotations, negotiating claims, maintaining necessary records and liaising with LSHTM's insurers and advisors about specific insurance matters.

7.4.3. All staff have a general duty to:

- Comply with the terms of LSHTM's insurance policies, and to ensure cover is not invalidated for any reason; and
- Advise the Finance Director of any changes to LSHTM's assets and activities or of any incidents that may affect LSHTM's insurance requirements or lead to an insurance claim by or against LSHTM.

### 7.5. Property and other assets

7.5.1. LSHTM, the LSHTM/MRC Units and LSHTM's subsidiaries must only purchase, lease or rent land, buildings or fixed plant with appropriate authority in accordance with the Schedule of Delegation (Annex A).

- 7.5.2. The Finance Director is responsible for maintaining the register of land, buildings, fixed plant and machinery on behalf of LSHTM, the LSHTM/MRC Units and LSHTM's subsidiaries. Staff will provide the Finance Director with any information they may need to maintain the register.
- 7.5.3. Deans, Unit Directors and Heads of Professional Services are responsible for the care, custody and security of the buildings, stock, stores, IT, furniture and other assets under their control.
- 7.5.4. Assets owned or leased by LSHTM, the LSHTM/MRC Units or LSHTM's subsidiaries shall not be subject to personal use without proper authorisation.
- 7.5.5. Disposal of land and buildings owned by LSHTM, the LSHTM/MRC Units or LSHTM's subsidiaries must be authorised in accordance with the table in section 1 of Annex A. Disposal of equipment, vehicles and furniture owned by LSHTM, the LSHTM/MRC Units or LSHTM's subsidiaries must be in accordance with the [Fixed Asset Disposal Policy and Procedure](#).

## 7.6. Companies, entities, trusts and joint ventures

- 7.6.1. Council, on the recommendation of the Finance and Development Committee, is responsible for approving the establishment of, and investment in, all companies, entities, trusts and joint ventures by LSHTM, the LSHTM/MRC Units, LSHTM's subsidiaries.
- 7.6.2. It is the responsibility of the Finance and Development Committee, acting for Council, to appoint directors of companies wholly or partly owned by LSHTM. Finance and Development Committee will be advised on suitable appointees by the LSHTM Director. Where officers or staff of LSHTM serve as director of a majority-owned subsidiary, they shall not derive any personal benefit from their appointment – for example through specific or additional remuneration or through holding a financial interest in the majority-owned subsidiary – unless approved by Council.
- 7.6.3. The annual audited financial statements of all companies/entities where LSHTM is the majority shareholder will be presented to the Finance and Development Committee and approved by the Directors of these companies/entities. Finance and Development Committee may request that financial information for non-majority owned companies also be presented to them periodically.

## ANNEX A – DELEGATED FINANCIAL AUTHORITY SCHEDULE

### 1. Introduction

This Schedule lists those Committees or individuals to whom authority has been delegated by Council to commit LSHTM to a contractual or quasi-contractual arrangement within approved budget limits. Council may continue to exercise all authorities available to it whether or not they have been delegated. This Schedule provides further detail on the delegation of authority for financial matters that are set out in the wider [LSHTM Schedule of Delegation](#)

The Delegated Financial Authority Schedule is structured to show:

- The Committee or individual that must approve the transaction, arrangement or project; and

- The individual who holds the delegated signing authority to execute the transaction once approval has been given.

The following principles must be adhered to by a Delegated Authority:

- All actions will not exceed the level of authority delegated and must be contained within the allocated and approved budget;
- All actions will be consistent with LSHTM’s Strategic Plan and institutional objectives;
- All decisions should be consistent with LSHTM’s risk appetite statement, and comply with legal and funding body obligations;
- Approval must be obtained at the planning stage, before the point of committing to any transaction, and include the total transaction cost over the full period of commitment;
- This Schedule applies to all activities whether funded from either restricted or non-restricted funds.

Unless otherwise specified, the delegated authorities apply to all LSHTM activities including those of the LSHTM/MRC Units in Gambia and Uganda and LSHTM subsidiaries.

In the event of an approver being absent, the substitute for the period of absence would ordinarily be a peer approver, or a trusted designated approver within the same organisational department.

## 2. Budgets and General Expenditure

The table excludes transactions relating to land and buildings – see item 3 below.

Topic area	Approval by	Signing authority
LSHTM consolidated annual revenue and capital budgets (including the LSHTM/MRC Units)	Financial and Development Committee (FDC) recommends, Council approves	Director
Variations outside approved budget (i.e. items which have a negative impact on the annual budget)	Up to £250k – Executive Team; >£250k – FDC >£500k – Council	Chief Operating Officer (COO)
Virements within budget	Up to £100k - Budget Holder; >£100k – COO	Finance Director
Virements on research and externally funded projects	Head of Research Finance and Funder	Research Finance Manager
Expenditure transactions (supplies, goods, services and works), including approval of requisitions and invoices	Up to £100k – Dean of Faculty / Head of Professional Services £100k-£500k Deputy Finance Director (research project expenditure) or Finance Director (non-research project expenditure) >£500k – COO	Budget Holder
Non-property lease agreements (all leases must be notified to the Finance Director in advance of creating any financial commitment)	Total lease value up to £25k – Budget Holder Total lease value >£25k – Finance Director	Finance Director

The Finance Director will maintain a detailed, internal approval schedule detailing the approval requirements for different types of financial transactions.

For the LSHTM/MRC Units in the Gambia and Uganda, the following delegated authority applies to expenditure transactions excluding purchase of land and buildings:

Unit authority level	The Gambia authority limit	Uganda authority limit
LSHTM Chief Operating Officer	>£250k	>£250k
Unit Director	£250k	£250k
Unit Chief Operating Officer / Director of Operations	£100k	£100k
Head of Finance	£50k	£20k
Theme Leads / Heads of Programme	£50k	£10k
Heads of Department	£20k	£5k
Principal Budget Holders	£10k	Grant per year <£100k, approval limit is £2.5k; Grant per year >£100k, approval limit is £5k
Other Project Leaders	£1k	£1k

### 3. Land and Property

Topic area	Approval by	Signing authority
Purchase, lease or disposal of land and buildings	<£500k – FDC >£500k – Council	Director / COO
LSHTM estates strategy and capital investment plan	Finance and Development Committee (FDC) recommends, Council approves	Director
Individual projects within the approved capital investment plan	Up to £200k – Executive Team; >£500k – FDC; >£1m – Council	COO
Individual projects outside the approved capital investment plan	<£500k – F&DC >£500k – Council	COO
Formal acceptance of contracts and acquisition of all goods, services and works related to land and buildings	Building contracts i.e. those within the approved capital investment plan: <£3m – Executive Team; >£3m – FDC All other contracts: <£1m – Executive Team; >£1m – FDC	Up to £500k – Estates Director; >£500k – COO >£2m – Director

### 4. Procurement

Procurement thresholds in relation to the requirements for competition are set out in the [Procurement Policy](#).

Contract awards must comply with the Procurement policy. Contract documents are signed by the COO.

## 5. Treasury and Cash Management

Topic area	Approval by	Signing authority
Appointment of bankers	FDC recommends, Council approves	Finance Director
Borrowing	FDC recommends, Council approves	Director / COO
Investment of cash – short-term (i.e. up to 12 months)	COO	Finance Director
Investment of cash (over 12 months)	Investment Working Group recommends, FDC approves	Finance Director
Exchange rate risk management and non-sterling cash management	COO	Finance Director

## 6. Income

Topic area	Approval by	Signing authority
Research grants and contracts – applications / acceptance of offers	Up to £1m – Dean of Faculty / Unit Director >£1m – COO / Director	Head of Strategic Research
Research grants and contracts – confidentiality agreements, clinical research, granting or receiving an assignation of licence of intellectual property to facilitate research	COO	Head of Legal and Compliance
Consultancy and service contracts	COO	Head of Legal and Compliance
Grants for non-research activities	COO	Head of Legal and Compliance
Technology Transfer Agreements	COO	Head of Legal and Compliance
Student tuition fees	FDC recommends, Council approves	Registrar and Director of Education Services
Education related income, other than annual tuition fee levels	Up to £1m – Executive Team >£1m – FDC >£5m – FDC recommends, Council Approves	Pro-Director Education or Registrar and Director of Education Services
Provision of other LSHTM services	COO	Head of Legal & Compliance

## 7. Donations and Endowments

Topic area	Approval by	Signing authority
Donations & endowments	Less than £100k – Director of Development £100k-£250k – Director of Development, COO and Secretary;	Director of Development

	<p>£250k-£500k – Director on behalf of Executive Team ;</p> <p>£500k-£1m – Donation Acceptance Panel consisting of the Director of Development (Chair), Secretary, Chair of Council or another designated member of Council, Chair of Court and Director</p> <p>&gt;£1m – Donation Acceptance Panel will review the proposed donation, making a recommendation to Council</p>	
Endowments – release of money to fund managers for investment	Chair of Investment Working Group	Finance Director
Endowments – application within specified purposes; or approval for change of use	Director / COO	Finance Director
Investment management services including appointment of investment managers	Investment Working Group recommends, FDC approves	Finance Director