

CHAPTER XIII

FINANCE AND PROPERTY

FINANCIAL MATTERS

Amended by Notice (Reporter, 2008–09, p. 742)

Finance
Committee.

1. The Finance Committee of the Council shall consist of:
 - (a) the Vice-Chancellor, or a duly appointed deputy, who shall be Chairman;
 - (b) three members of the Regent House elected by representatives of the Colleges;
 - (c) four persons appointed by the Council, at least two of whom shall be members of the Regent House;
 - (d) one member of the General Board appointed by the General Board;
 - (e) three members of the Regent House appointed by Grace of the Regent House;
 - (f) not more than two persons co-opted by the Committee, provided that it shall not be obligatory for the Committee to co-opt any person or persons;

subject always to the requirement that not less than three members of the Committee (including the Vice-Chancellor) shall be members of the Council. The Registrar or a University officer designated from time to time by the Council shall act as Secretary of the Committee.

Appointment
and tenure.

2. Members in classes (b)–(e) shall be appointed or elected in the Michaelmas Term, and shall serve from 1 January next following. Members in classes (b) and (e) shall serve for three years, and members in classes (c) and (d) for four years. Co-opted members shall serve until 31 December of the year in which they are co-opted, or of the year next following, as the Committee shall determine at the time of their co-optation. If a member in class (b) or class (e) ceases to be a member of the Regent House, or if the member in class (d) ceases to be a member of the General Board, such a member's seat shall thereupon become vacant.

College
representatives.

3. For the purpose of the election of members of the Committee in class (b), each College shall appoint one representative, whose name shall be communicated to the Registrar. The election shall be conducted in accordance with the Single Transferable Vote regulations; voting shall be by postal ballot. The arrangements for the election shall be determined by the Registrar.

Quorum.

4. No business shall be conducted at a meeting of the Finance Committee unless five members at least are present.

Duties.

5. It shall be the duty of the Council, acting through the Finance Committee:
 - (a) to collect the contributions for University purposes due from the several Colleges under the provisions of Statute G, II;
 - (b) to publish the accounts of the several Colleges;

Property and
securities.

6. The Finance Committee shall have authority under the Council to exercise the powers of the University under Statute F, III, 1–3, subject to Regulations 9 and 10 below and subject to the following restrictions:

- (a) approval by Grace of the Regent House shall be required for the sale or transfer of any real or leasehold property belonging to the University, or for the grant of a lease on behalf of the University for a period of sixty years or more, if in the judgement of the Council such a sale or lease would deprive the University of the use of lands or buildings which are of present or prospective use to the University;
- (b) all investments capable of registration shall be registered in the name of the Chancellor, Masters, and Scholars of the University of Cambridge or of nominees appointed by resolution of the Finance Committee;
- (c) all certificates for securities shall be deposited for safe custody at a bank or other recognized financial institution, which shall be approved by resolution of the Finance Committee;
- (d) all purchases and sales of bearer bonds or securities transferable by mere delivery or by delivery and endorsement shall be conducted through bankers approved for the purpose by resolution of the Finance Committee;
- (e) approval by Grace of the Regent House shall be required for the grant of security for any loan, and the terms of any loan so secured shall provide for the repayment of the loan within fifty years or less either by annual instalment or otherwise.

7. Barclays Bank plc shall be Bankers to the University until further order.

Bankers.

8. The financial year of the University shall end on 31 July.

Financial year.

9. Regulations 6–8 shall not apply to the finance and property of the University Press, which shall be governed by Statute J and by the regulations for the Press Syndicate made under that Statute.

10. In order to facilitate the management of investments under the control of the University the Council may at any time and from time to time resolve that all or any part of the endowments or other funds of the University and of the funds of any specific trust for purposes connected with the University of which the University is trustee (hereinafter called the constituent funds) be treated as one amalgamated fund invested for the rateable benefit of the constituent funds and to and upon any such resolution the following provisions shall apply:

(a) an investment shall not be brought into an amalgamated fund upon its first constitution or upon any change of investment unless it is an authorized investment for all the constituent funds;

(b) an amalgamated fund shall be held on behalf of the constituent funds in shares as nearly as may conveniently be proportionate to their respective capital values upon the first constitution of the amalgamated fund; such shares shall be fixed by resolution of the Council on the recommendation of the Finance Committee of the Council;

(c) the Council, on the recommendation of the Finance Committee of the Council, may at any time increase any amalgamated fund by adding thereto new constituent funds and upon any such increase shall fix the share of such new constituent funds in the resulting amalgamated fund;

(d) the Council may at any time wind up any amalgamated fund and divide the investments thereof between the constituent funds in proportion to their respective shares therein or may bring all or any of the shares into a new or other amalgamated fund in accordance with the provisions of this regulation;

(e) the Council may appropriate and distribute for expenditure as much of the fair value of any amalgamated fund as prescribed by Ordinance as it considers in its absolute discretion is prudent having regard to the total return achieved and reasonably to be expected in the long term of the amalgamated fund and distribute in proportion to the constituent funds at the time of the distribution.

NOTICES BY THE COUNCIL

ETHICAL GUIDELINES ON THE ACCEPTANCE OF BENEFACTIONS

1. Under Regulation 6 of the regulations for the Vice-Chancellor¹ the Regent House has delegated the acceptance of benefactions to the Vice-Chancellor. In exercising this responsibility, the Vice-Chancellor will seek the advice of the Executive Committee of the Council for all benefactions over £1m, or that are likely to give rise to significant public interest.

2. Charity law places certain constraints on charities, and in recommending acceptance of any benefaction the Executive Committee shall make available to the Vice-Chancellor information under the following headings:

(a) Are the purposes of the benefaction compatible with the purpose of the University as defined in its Statutes?

(b) Do the purposes of the benefaction fall within the University's mission and strategic plan?

(c) What additional costs or burdens, if any, would acceptance of the benefaction create for the University?

(d) Is there published evidence that the proposed benefaction arises in whole or in part from activity that

– evaded taxation?

– violated international conventions that bear on human rights?

– limited freedom of inquiry?

– suppressed or falsified academic research?

In the case of unproven allegations of criminality against a potential donor, no account shall be taken of mere rumour, but care will be exercised in accepting any benefaction, or continuing negotiations towards a possible benefaction, where there is a risk of significant damage to the University's reputation.

(e) Is there evidence that the proposed benefaction, or any of its terms, will

– require action that is illegal?

– limit freedom of inquiry?

– suppress or falsify academic research?

– create unacceptable conflicts of interest for the University?

(f) Is there evidence that acceptance of the proposed benefaction or compliance with any of its terms will damage the University's reputation, including deterring other benefactors?

¹ See p. 677.

Although benefactions which are uncontroversial and which are worth less than £1m may not be subject to detailed scrutiny by the Executive Committee, acceptance will nevertheless be considered explicitly against these ethical guidelines.

3. All members of the University involved in fundraising are encouraged to consult the Development Office at an early stage in their discussions with a potential benefactor. The Development Office can advise on the use of these guidelines, and consultation will also reduce the risk of unco-ordinated approaches to a single potential donor; spread familiarity with the process for accepting benefactions; and may allow an early warning of anyone unknowingly approaching a potential benefactor whose donation is not likely to be acceptable.

FINANCIAL REGULATIONS

Adopted and approved on 21 July 2008 by the Council after consultation with the Finance Committee

The purpose of these Financial Regulations is to ensure the proper use of finances and resources in a manner which not only satisfies the requirements of internal control expected of a substantial and prominent organization, but also fulfils any legal or financial obligations as laid down by the Statutes and Ordinances of the University, HM Revenue and Customs, the Higher Education Funding Council for England (HEFCE), and other authorities.

The Financial Regulations apply to all bodies included in the University's Financial Statements and includes all subsidiary companies except for Cambridge University Press and Cambridge Assessment. They have been circulated to all Heads of Department, Chairmen and Secretaries of Faculty Boards, Heads of institutions under the supervision of the Council, including the University Offices, and those designated as such for financial management and control purposes. It is the responsibility of Heads of all University institutions to ensure that staff under their jurisdiction are made aware of the existence and provisions of these Financial Regulations, and that an adequate number of copies are made available for reference within the institution. In particular they must ensure that all staff are made aware of the wider implications of not complying with the Financial Regulations.

Additional copies of the Financial Regulations may be obtained from the office of the Deputy Director of Finance (Financial Operations), Finance Division, University Offices, The Old Schools, who should also be contacted for advice if there is any uncertainty as to their application. The Financial Regulations are also available on the Division's website (<http://www.admin.cam.ac.uk/offices/finance/finregs.html>).

A. PRELIMINARY

Terms in capitals are defined in Schedule 5 where necessary to aid interpretation.

The Council is responsible for the supervision and management of University resources and finances. The purpose of these Regulations is to provide sound arrangements for internal financial management, accounting, and control, promote best value for money, and fulfil the University's legal and financial obligations.

1. Scope

1.1. These Regulations apply to

- all University Income and Business;
- all Staff; and
- all Departments and University subsidiary companies but not Cambridge University Press or Cambridge Assessment.

2. Ethical Principles

2.1. University Business shall be conducted in accordance with the Nolan Principles: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

2.2. Staff must not use their authority or office for personal gain and must always seek to uphold and enhance the standing of the University

2.3. Staff must declare to their Head of Department any personal interest which may affect any University Business and act in accordance with the instructions given as to management of any conflict.

2.4. Staff must seek written permission from their Head of Department before accepting gifts or hospitality directly or indirectly from suppliers, other than low value items such as a gift worth less than £25 or hospitality worth less than £50. Receipt of gifts or hospitality must not influence or appear to influence the choice of supplier or prejudice the University's reputation. If in doubt, gifts and hospitality must be refused.

2.5. Where Heads of Department have a conflict of interest or wish to accept gifts or hospitality (other than low value items) they must seek the advice of the body or person to whom they are responsible, for example Head of School, management board or General Board, and act as advised.

3. Staff Responsibilities

3.1. Staff shall, irrespective of sources of funding,

- comply with these Regulations and Statutes, Ordinances, and University policies;
- take all necessary advice;
- assess and manage risks (including to health and safety) entailed in University Business they transact;
- safeguard University property and Income for which they are responsible;
- use University resources economically, efficiently, effectively, and secure value for money; and

- comply with the University's legal, financial, administrative, and other obligations including to HEFCE, HM Revenue and Customs, and other government authorities.
- 3.2. Non-observance of these Regulations may result in disciplinary action.

B. HEADS OF DEPARTMENT

4. Definition and Responsibility

4.1. 'Head of Department' means any of the following: the Head of a Department or a Faculty not organized in Departments, Secretaries of Faculties, Head of a Centre, Institute or other body under the supervision of the General Board or Council and Head of a Division within the Unified Administrative Service. 'Department' is interpreted accordingly.

4.2. Heads of Department shall ensure

- proper allocation of funds;
- sound financial control, authorizations, and separation of duties;
- that accounts are correctly maintained;
- that funds available for spending are not exceeded;
- that these Regulations are publicized and observed within their Department; and
- that all information and explanations required by the University's internal or external auditors are provided promptly.

5. Departmental Management

5.1. Heads of Department may designate in writing one or more people to execute specified tasks for and subject to the supervision of the Head of Department. The Head of Department remains responsible.

C. CONTRACT EXECUTION AND COMMENCEMENT

6. Authority to Sign Contracts

6.1. Subject to Regulations 6.2, 6.3, and 18.4, Heads of Departments have authority to sign contracts in the course of the ordinary business of their Department in respect only of available funds for which they are responsible.

6.2. Contracts for the purchase, lease or licence of land or property or for the erection, demolition, substantial repair or alteration of buildings must be referred to EMBS and are subject to the Sites and Buildings Regulations (see further Regulation 31 and Explanatory Note in Section M).

6.3. The Director of RSD shall approve and sign all contracts relating to sponsored research activity.

6.4. Subject to Regulations 6.2 and 6.3 the following persons have authority to sign contracts affecting more than one Department:

- the Vice-Chancellor;
- a Pro-Vice-Chancellor;
- the Chair of the Faculty Board or Head of School where all the Departments affected are in that Faculty or School;
- the Registrary;
- the Director of Finance; and
- Head of Purchasing.

7. Sealing

7.1. The following persons have authority to authorize affixing of the University's seal, where any necessary approvals are in place

- the Vice-Chancellor;
- a Pro-Vice-Chancellor;
- the Registrary; and
- (for assignment of University intellectual property) the Director of RSD.

8. Documentation, Liability, and Performance

8.1. The person having authority to execute a contract is responsible for its safekeeping. If required, the Registrary will keep the documentation for contracts affecting more than one Department.

8.2. Departments are responsible for meeting obligations and for all costs or losses arising from contracts entered into by or for them.

8.3. Contract performance shall not begin before

- all necessary approvals have been obtained; and
- the contract has been executed or the person having authority to execute the contract gives prior written consent, which consent shall normally be given only if key terms have been agreed and the risks created by delay outweigh the risk of proceeding prior to full contractual agreement.

D. INCOME AND EXPENDITURE**9. Cash and Banking**

9.1. All University Income, including donations to support any individual's research, must be paid promptly into a bank account in the name of the University (and into no other account) and be accounted for in CUFS. All University expenditure must be paid from a University bank account and be accounted for in CUFS.

9.2. Departments and Staff have no authority to open bank accounts (whether in the UK or abroad) for any University activities without the prior written consent of the Director of Finance.

9.3. Where possible Departments shall separate duties for receiving and recording University Income. Where this is not possible regular independent checks shall be made.

9.4. Further cash, petty cash, banking, and related requirements are set out in Schedule 1.

10. Management of Expenditure

10.1. Heads of Departments are authorized to incur expenditure not exceeding the limits of funds available to the Department. They are responsible for ensuring that monitoring and control arrangements are adequate to prevent over-commitment of expenditure and that all monies under their control are safely kept and are used only for the purposes for which they are allocated. The Head of Department (or budget holder where authorized by the Head of Department) shall approve expenditure.

11. Accounting and Other Records

11.1. Heads of Department shall

- maintain financial records as specified in Statutes and Ordinances;
- certify whether annual statements of account (which are distributed by the Finance Division) are true and fair and that responsibilities under these Regulations have been discharged during the year; and
- properly record all transactions in CUFS and any other financial system the use of which has been authorized by the Director of Finance.

11.2. Staff must comply with CUFS rules.

11.3. Record-keeping must comply with the Data Protection Act 1998. The University is subject to the Freedom of Information Act 2000 and members of the public may request copies of University documents. Advice on these matters must be obtained from the University's Data Protection and Freedom of Information Officers.

12. Supplying Goods or Services including research

12.1. Heads of Departments must establish procedures to ensure that

- all supplies of goods and services are authorized and are supplied as agreed;
- trading accounts are kept in credit (deficits are only permitted with the Director of Finance's prior written consent);
- new activity complies with Regulation 24;
- there are adequate credit control procedures and that supplies are made only where the credit risks are acceptable;
- all relevant risks to the University are considered and managed;
- the University's standard terms and conditions are where possible applied;
- invoices other than for sponsored research funding (see Regulation 13.3) are raised
 - in the name of the University of Cambridge showing the University's VAT number;
 - through CUFS unless prior written consent is given by the Director of Finance; and
 - wherever possible in sterling for settlement in sterling (any exchange risk lies with the Department for invoices in a currency other than sterling);
- the liability for all taxation is established and tax is charged and accounted for as appropriate;
- except for research contracts, which are subject to Regulation 13, the full economic cost to the University is recovered, unless the advice of the Taxation Section is sought and it is appropriate to do otherwise having regard to the particular circumstances (see further Regulation 28);
- best value is obtained for sale of any goods to external bodies or to staff (and the Taxation Section consulted about VAT and tax implications);
- sales to staff or their families below the cost incurred by the Department in providing the benefit (including where no charge is made) are recorded and reported as a taxable benefit at the end of the tax year;
- where payment for goods is received in cash, the sum does not exceed the cash equivalent of €15,000 (£9,000) for any single transaction (per the Money Laundering Regulations 2003 SI 3075);
- invoices are issued promptly (not more than one month subsequent to the transaction to which it relates) and are properly recorded and processed;
- overdue accounts are followed up effectively; and
- the Finance Division is informed if there is non-payment or dispute.

12.2. Debt management rules are set out in Schedule 2.

13. Research Grants

13.1. Staff shall send grant applications and proposals for research contracts to RSD for approval before their submission.

13.2. Heads of Department shall ensure there are appropriate arrangements

(a) in conjunction with RSD to

- cost grant applications and proposals on the basis of the full economic costs of the research; and
- recover charges for facilities and overheads in accordance with and at the rates specified in University policy or record the extent and justification for subsidizing the cost where in exceptional cases the Head of Department agrees not to apply University policy for recovery rates; and

(b) that research which is funded is conducted to meet the funding conditions.

13.3. RSD shall raise all invoices for sponsored research funding. All research grant or contract income and expenditure, from whatever source of funds, must be notified to RSD and no part of this income may be transferred into donation accounts or other special funds, other than funding remaining unspent at the end of the research which the funder has agreed the Department may retain.

13.4. Heads of Department shall ensure that expenditure on research activity complies with these Regulations. Financial control and record-keeping shall also comply with any additional Research Council or other funder's requirements.

14. Donation Accounts and Trust Funds

14.1. Heads of Department must ensure that

- donation accounts and trust funds are maintained in credit;
- funds are applied for the public benefit for charitable, educational or research purposes only; and
- any Ordinances or regulations governing the receipt of donations and the conduct of individual accounts are followed.

14.2. Donation accounts must only be used for donations and must be set up on the basis that the monies are charitable funds which belong to the University and not to an individual.

14.3. University trust funds are governed by regulations set out in Statutes and Ordinances. Trust fund managers shall ensure that funds are used for proper purposes in accordance with the rules of the specific fund and the University's general charitable purposes.

14.4. Transfers of donated funds to other institutions must always be approved by the Head of Department and be in accordance with the terms of the gift and the University's general charitable purposes. Transfers shall not be made until the receiving institution has confirmed in writing that the terms of the gift will be observed. Where the transfer relates to the Head of Department's research, the Director of Finance's prior written consent must be obtained.

14.5. Donations cannot be transferred to individuals, except where the individual is the donor and the University is unable to meet the terms of the original gift. In such cases the donation may be returned. However no adjustment may be made for interest accrued or for any other putative increase in the value of the donation unless the University accepted this condition when the donation was made.

E. INVESTMENT AND BORROWING

15. The Cambridge University Endowment Fund ('CUEF')

15.1. The University's Chief Investment Officer is responsible for all CUEF investment management activities. The Chief Investment Officer appoints and monitors external investment managers.

15.2. No Department or trust of the University may invest in any securities or other investments (including land and buildings) without the prior approval of the Finance Committee.

15.3. Acquisition of land is also subject to the Sites and Buildings Regulations (see para 31.1 below).

16. Investment in the CUEF and Deposit Account

16.1. Surplus funds (only) may be invested in the CUEF and Deposit Account. The Director of Finance is responsible for approving all new and any changes in CUEF holdings. Deposit Account eligibility rules and interest rates are published by the Director of Finance from time to time.

17. Borrowing, Guarantees, and Loans

17.1. Departments must not borrow money outside the University.

17.2. No guarantees or letters of comfort may be issued except with the prior written consent of the Director of Finance.

17.3. No Department may make a loan including to staff or (outside the normal course of business) extend credit arrangements without the Director of Finance's prior written consent.

F. PURCHASING

18. Obtaining Goods, Services or Construction Works

18.1. Expenditure of £2,000,000 or above on capital items (inclusive of VAT) requires the consent of the Planning and Resources Committee.

18.2. Value for money in purchasing is normally demonstrated through competition. The table below sets out the minimum competition requirement when obtaining goods, services or construction works. This applies to all expenditure irrespective of the source of funding (including spending of grant monies and leasing arrangements). If there is any reason to believe that offers which have been received are not competitive, further offers must be obtained.

Total Value* (before VAT)	Procedure for inviting offers		
	Standard purchases	Framework Contracts*	Marketplace*
<£250	no quote required	follow procedures	only the quote
£250 – £500	telephone/web quotes	recommended by	provided is
>£500 – £10,000	3 Competitive Quotes*	CPO for the contract	needed
>£10,000 – £50,000		3 Competitive Proposals*	
>£50,000		3 Invitations to Tender	
EU Thresholds, currently:		EU Tenders	
>£139,893 (goods and services)			
>£3,497,313 (works)			

*see definitions in Schedule 5
EU Thresholds as at January 2008 (updated biennially)

18.3. In exceptional circumstances only, prior written consent not to follow the competition procedures may be granted

- for construction and construction related procurement by
 - the Director of EMBS where the Total Value is less than the EU Threshold; and
 - the Registry where it is at or exceeds the EU Threshold;
- for other procurement by
 - the Head of Department after consultation with the departmental administrator where the Total Value is £10,000 or less; and
 - the Director of Finance where the Total Value exceeds £10,000.

18.4. Departments must seek all necessary advice.

(a) The Head of Department's prior written consent is needed for one or more payments in advance in relation to any contract totalling £10,000 or less.

(b) The Director of Finance's advice and prior written consent is needed as follows:

- procurement (other than construction) where the Total Value exceeds £100,000 (advice only);
- procurement where the Total Value exceeds £10,000 and supplier terms are used (advice only);
- leasing or hire purchase where the Total Value exceeds £10,000;
- payments in advance exceeding £10,000; and
- payment under early settlement terms exceeding £250,000.

(c) The Director of EMBS's advice is needed for procurement falling within Regulation 6.2.

18.5. All competition shall be based on a specification drafted after consultation with anticipated users and assessment of the risks associated with the procurement. The Procurement Procedures provide further guidance on purchasing.

18.6. Goods and services may be purchased externally only if

- they are required for the achievement of financial, academic or organizational plans;
- they are not reasonably available elsewhere within the University; and
- the source, sufficiency, and terms of the funding have been checked and confirmed.

18.7. Heads of Department must establish levels of authorization and segregation of duties for contracts where the Total Value exceeds £500 for:

- short-listing and acceptance of tenders;
- ordering and inspection of goods and services; and
- payment.

Where payment duties cannot be segregated, transactions must be independently checked on a regular basis.

18.8. Orders must state the nature, quantity, and price of goods and services to be provided and where possible apply the University's terms and conditions. Copies of orders must be kept securely. Where an order is placed through CUFSS, the electronic record suffices.

18.9. Official orders must be produced in a form approved by the Director of Finance for all purchases above £100 or any lower threshold set by the Head of Department.

19. Receipt of Goods or Services, Payments for services to individuals

19.1. All goods and services must be checked promptly on receipt to ensure that they accord with order requirements and suppliers advised promptly about any discrepancies. Copies of signed delivery notes must be retained. If deliveries have to be acknowledged prior to checking, endorse the delivery note 'Goods received unchecked'.

19.2. Invoices must be checked and not authorized for payment until the goods or services have been checked, unless authority is in place to pay in advance (see Regulation 18.4).

19.3. Payments to individuals must comply with Regulation 30.6.

19.4. Heads of Department shall establish arrangements for monitoring and regular appraisal of purchasing activity to ensure that best value for money is secured for current and future purchases.

G. FRAUD

20. Fraud and Irregularity

20.1. Heads of Department shall

- establish procedures to safeguard against fraud or irregularity;

- report immediately any suspicion of fraud or irregularity to the Director of Finance who will advise the University's internal auditors and if necessary the University Security Adviser and police; and
- report to the Audit Committee and the Vice-Chancellor any fraud or irregularity which has any of the following characteristics:
 - exceeds £10,000
 - is unusual or complex
 - public interest is likely.

20.2. Any member of staff who reasonably believes there is serious malpractice relating to any 'protected matter' specified in the University whistleblowing policies (see Human Resources Division website) should raise such issue using the specified procedure.

H. CORPORATE REQUIREMENTS

21. Taxation

21.1. Heads of Departments shall ensure that their Department accounts correctly for VAT and where appropriate corporation tax. Where there is any doubt as to the correct VAT or tax treatment of a transaction, the Taxation Section must be consulted.

21.2. Heads of Departments shall ensure that any taxable benefits paid to individuals are reported to the Human Resources Division for inclusion in P11D returns.

22. Legal Advice and Proceedings

22.1. The Council's Executive Council and the Registry have authority to take legal advice and to conduct legal proceedings. Departments shall not take any action to initiate or defend legal proceedings or obtain external legal advice without first involving the Legal Services Office, which will seek consent from the Registry or Executive Committee as necessary. The Legal Services Office should be contacted immediately if legal proceedings are served on any part of the University or any University subsidiary company.

23. Insurance

23.1. Departments must comply with the insurance requirements set out in Financial Procedures and on the Insurance Section web pages.

23.2. Contents whether owned, borrowed or hired must be valued, recorded, and notified to insurers. Departments should regularly review the value of contents held and notify the Insurance Section of

- departmental moves;
- the acquisition and disposal of high value items (exceeding £1,000,000); and
- temporary removal from University premises (where the single article exceeds £50,000 or the total exceeds £100,000).

23.3. Departments must take all necessary steps to prevent losses and accidents and ensure that the Insurance Officer is advised immediately of any new unusual or significant risk. Liabilities should not be accepted on behalf of the University without careful consideration. Any liabilities not covered by insurance will fall on the Department

23.4. Third party claims must be passed immediately to the Insurance Section without comment to the third party to ensure that the University's legal position and insurance policies are not compromised.

I. COMMERCIAL ACTIVITY

24. New Income Generation or Trading Activity

24.1. Apart from core teaching, research, and the organization of conferences, when a new income-generating or trading activity is set up (whether in the UK or abroad), the Head of Department must consult the Taxation Section beforehand to consider the VAT implications and whether the activity constitutes trading which might be subject to Corporation Tax.

24.2. The Director of Finance may direct that transactions be undertaken through a University subsidiary company.

25. University Companies

25.1. No University company may be formed (whether in the UK or abroad) for any purpose without the prior approval of the Finance Committee. Advice must be obtained from the Director of Finance.

25.2. University subsidiary companies shall enter into and keep under review a memorandum of understanding with the University. Each company shall operate in accordance with such memorandum and within the framework provided by these Regulations, including the provisions regarding procurement, and any additional procedural requirements imposed by their boards.

26. University Embedded Companies

26.1. Heads of Department and EMBS shall maintain departmental and corporate registers of Embedded Companies.

26.2. Heads of Department shall in respect of Embedded Companies

- undertake financial and space cost benefit analysis for all new and (periodically for) existing Embedded Companies;
- comply with Regulation 28;

- take into account University policies (including the University's Guidelines for Establishing and Working with Embedded Companies);
- ensure that Embedded Companies comply with health and safety requirements; and
- put in place appropriate contractual arrangements to govern the relationship between the University and the company.

27. Consultancy and Private Activity

27.1. When engaging in consultancy or other commercial activity in a private capacity, Staff must not hold themselves out as acting on behalf of the University, use University headed stationery nor (except in accordance with Regulation 28) use any University premises, facilities or resources.

27.2. The University accepts no responsibility for any work done, advice given or activity undertaken by Staff in a private capacity. Staff are reminded of the need to take out professional indemnity insurance for such work, advice, and activity and that they are responsible for all liabilities arising including as to tax. Staff who conduct work through Cambridge University Technical Services Limited are insured under the University's insurance policies.

28. Non-University Activities – Use of Premises, Facilities, etc.

28.1. Unless the Head of Department gives prior written consent and an appropriate contractual agreement with the University is put in place, non-University activities may not be carried out on University premises nor University facilities or resources used for such activities. Care is needed to avoid breaching any obligation of the University to a third party (for example in relation to use of computing facilities and software).

28.2. Heads of Department shall ensure that appropriate charges are made for the use of University premises, facilities or resources for non-University purposes (see Regulation 12).

28.3. The Director of EMBS must be consulted before making any arrangement (including leases or licences) for the use of any University space for non-University purposes.

29. Intellectual Property

29.1. Intellectual property generated through University activities is governed by the Intellectual Property Ordinance Graced on 12 December 2005.

J. STAFFING

30. Salaries and Staff Appointments

30.1. All University employees shall have a properly authorized letter of appointment in the form approved by or under the authority of the Human Resources Committee.

30.2. No member of staff may be given a contract of employment for a period exceeding that for which funding is available to support the post, or posts, to which he or she is appointed.

30.3. The only payments which may be made to University employees are those in accordance with approved University salary scales and such other payments as have been specifically approved by the Human Resources Committee. Rules on expenses reimbursement are set out in Schedule 3.

30.4. Heads of Departments must provide the Payroll Section with and keep up to date a list (signed by the Head of Department) of persons authorized to sign salary documents for departmental staff paid through the payroll. Where the proposed signatory is not a University employee the approval of the Director of Finance is also required.

30.5. For all new employees the Head of Department or other authorized signatory shall ensure that the person is legally eligible to work in the UK. The Payroll Section will not add a non-EU citizen to the payroll unless it is clear that any necessary work permit has been obtained or that the immigration status of the person concerned does not require the University to seek permission for the specific employment proposed.

30.6. Individuals may not be paid as suppliers through CUFS unless the Taxation Section has given prior written consent.

K. PROPERTY

31. Property

31.1. The University's real property is governed by Statutes and Ordinances including the Sites and Buildings Regulations.

31.2. Departments may not acquire or dispose of real property without taking the advice of the Directors of Finance and of EMBS. See further Regulation 6.

31.3. The University's Taxation Section must be consulted about VAT and the tax implications of property acquisitions, disposals, and usage.

32. Stores and Equipment

32.1. Stores and equipment shall be dealt with as set out in Schedule 4. Assets bought with University Income irrespective of the source of funding remain the property of the University until sold or destroyed, unless contracts with external sponsors specify otherwise.

L. AUTHORITY**33. Council Delegations and Directions**

33.1. The Council hereby gives all delegations and directions contemplated by these Regulations.

34. Revision

34.1. Every three years, or more frequently if appropriate, the Director of Finance shall arrange for these Regulations to be reviewed and for proposed changes to be submitted to the Finance Committee for onward recommendation to the Council and adoption by Council Notice.

M. EXPLANATORY NOTE

- The University endeavours to conduct University Business in accordance with the Nolan Principles.¹
- The Council is the principal executive body and policy-making body of the University. The Council has general responsibility for administration, planning of work, management of resources, and general supervision of finances including of all University institutions other than the University Press.² It has the authority to take legal advice and conduct proceedings on behalf of the University.³ The Council and its Finance Committee exercise the University's powers of investment subject to certain restrictions.⁴ The Council has responsibilities in relation to the care, management, and maintenance of property.⁵
- The Vice-Chancellor has the customary rights and duties of the office⁶ and is the designated officer responsible under the University Financial Memorandum with HEFCE and to the Public Accounts Committee.
- Pro-Vice-Chancellors perform duties as prescribed by Statutes and Ordinances, the Council or the Vice-Chancellor.⁷
- Heads of University Departments and Secretaries of Faculty Boards have financial responsibility under Statutes and Ordinances and are accountable for the proper application of funds.⁸ Heads of other institutions are similarly responsible under particular provisions of Statutes and Ordinances.
- Acting Heads of Department may be appointed during a vacancy and count as Head of Department. The General Board appoints Deputy Heads and defines their duties and powers.⁹
- The Registry is the principal administrative officer of the University under the direction of the Council and is the head of the Unified Administrative Service.¹⁰
- The University Offices form the Unified Administrative Service under the supervision of the Council and are organized in Divisions.¹¹
- Statute K, para 9(b) provides for delegation by any University body to any committee or University officer (including in relation to finance) subject to Statutes and Ordinances.
- The Audit Committee has responsibilities under Statutes and Ordinances. The University's internal and external auditors have unrestricted access to all records, assets, personnel, and premises, and the right to obtain such information and explanations as they consider necessary. HEFCE, HM Revenue and Customs, and others may also have the right to audit University Business.
- The purpose of the EU Public Procurement Directives and implementing UK Regulations is to encourage competitive tendering for public contracts throughout the European Union. The Council on the advice of its Finance Committee declared the University to be outside their scope in December 2003. It reviews and confirms this status annually. The Council intends that the University's procurement procedures should continue to follow the good practice set out in the Regulations.
- New building needs and substantial repairs or alterations to University property require report to the Council or its Buildings Committee.¹² Changes of use require Council approval.¹³ Substantial repairs and alterations require Building Committee approval.¹⁴ A Grace is needed for the erection of any new building or demolition or substantial alteration of any existing building.¹⁵
- Ethical guidance on acceptance of donations and the provisions for acceptance of donations by or with the authority of the Vice-Chancellor are set out in Ordinances.¹⁶

¹ See the University's Corporate Governance Statement, annexed to the University's Annual Reports and Financial Statements.

² Statute A, Ch IV, para 1 and Statute F, Ch I para (a). See also Ordinance Ch I, Special Regulations for Syndicates, Local Examinations Syndicate, and Press Syndicate.

³ Ordinances Ch I, The Council, Legal Powers.

⁴ Statute F, Ch III, para 6 and Ordinance Ch XIII, Financial Matters, para 6.

⁵ Statute F, Ch I, para 2.

⁶ Statute D, Ch III, para 3.

⁷ Statute D, Ch IV, para 3.

⁸ Statute C, Ch V, para 3(c) and Ch IV para 10.

⁹ Ordinance Ch IX, Departments and Heads of Department paras 4 and 5.

¹⁰ Statute D, Ch VIII, para 1.

¹¹ Ordinances Chapter XI, Special Regulations for University Officers, Unified Administrative Service, paras 1 and 2.

¹² Sites and Buildings Regulation 2 and 8.

¹³ Sites and Buildings Regulation 6.

¹⁴ Sites and Buildings Regulation 8.

¹⁵ Statute F, Ch I, para 2 and Sites and Buildings Regulation Sites and Buildings Regulation 4.

¹⁶ Ordinances Ch XIII, Council Notice: Ethical Guidelines on the Acceptance of Benefactions.

SCHEDULE 1 – CASH AND BANKING ARRANGEMENTS, CREDIT CARDS, FOREIGN CURRENCY

1. Heads of Department who receive cash or cheques shall establish procedures and staff instructions to ensure that:

- all cheques are made payable to ‘University of Cambridge’;
- all receipts to which the Department is entitled are received;
- all receipts, including BACS receipts, are properly accounted for and recorded;
- all receipts are banked intact (using local Barclays branches) promptly within a week, or more often if sums exceeding £250 are received (the Director of Finance must give written consent for this limit to be increased and will only give consent if this is operationally justified and the Department has suitable security arrangements);
- cash received is secure until banked (through the use of safes or where the cash/cheques combination does not exceed £250 by placing in a locked drawer/cabinet);
- the insurance limit for the Departmental safes is known and observed by staff;
- disbursements are not made from cash received; and
- all cheques, postal orders, cash, etc. are promptly banked intact i.e. complete (cashing of personal cheques from cash takings/receipts is not permitted).

2. The custody and transit of moneys must comply with University insurance requirements. The postal service and University Messenger Service must not be used to send cash.

3. Remittance advices and financial coding details must accompany all receipts advised to the Cashier in respect of centrally banked items or the Cash Management Section of the Finance Division in respect of locally banked or electronic receipts. Departments are responsible for identification of their own BACS receipts. The Finance Division will assist by supplying relevant information.

4. *Petty Cash Arrangements*

- A petty cash float (normally up to a maximum of £100, unless the Director of Finance gives written consent to increase the limit), may be provided to Departments to defray minor expenses incurred by staff on departmental activity.
- Departments are responsible for the security of the float and for ensuring that all expenditure is properly supported and authorized.
- Under no circumstances may petty cash be used to make payments to individuals for services provided (e.g. payments to visiting lecturers) or external suppliers for services rendered.
- Departments are required to certify their petty cash float at the financial year-end.
- Advice on security of cash is available from the University Security Adviser.
- Petty cash floats must not be used for personal expenditure even if the intention is to reimburse the float later.
- All the following conditions apply to any petty cash payment:
 - Payments shall be limited to items of expenditure below £25 (unless the Director of Finance gives written consent to increase the limit).
 - Payments must be supported by a receipted voucher.
 - The claimant receiving reimbursement must sign for receipt of moneys.
- Staff responsible for the petty cash float must ensure the records are always up to date, including making timely posting of petty cash journals and promptly inputting disbursements to CUFS.
- Petty cash is not to be replenished unless journals are up to date.
- There must be regular independent checks of petty cash balances and use.

5. *Credit Cards*: The Director of Finance must authorize every credit card facility prior to use by a Department. Cardholders must sign a statement accepting the terms and conditions under which the card can be used. The card must only be used for University business. Use must be supported by vouchers for expenses incurred. The card must be returned before an employee leaves the University. Where the card is used for entertaining the conditions in Schedule 3 below must be followed. Heads of Departments must follow University credit card procedures. Cash withdrawals using University credit cards are not permitted without the prior written consent of the Director of Finance.

6. *Electronic Receipting Machines (PDQ machines)*: The Director of Finance must give prior written consent for any use by a Department of PDQ machines for electronic receipts. The Finance Division will provide facilities for Departments where requested, explaining the circumstances in which the facilities are suitable. Departments will incur the cost of PDQ machine facilities.

7. *Internet based Receipting Facilities (e-PDQ)*: The Director of Finance must authorize any arrangements for receiving funds over the internet. The Finance Division will provide advice to Departments in this respect. Departments will incur the cost of e-PDQ facilities.

8. *Foreign Currency*: Advice on foreign payments and receipts must be sought from the Director of Finance. Any bank charges and exchange rate differences will be a cost to the Department.

9. *Cheques*: All cheques drawn on the University’s account must bear the signature of the Director of Finance. Sterling cheques in excess of £10,000 must be counter-signed by a designated officer within the Finance Division who may require additional information in order to be satisfied that payment complies with these Regulations. Separate signing arrangements within the Finance Division may be required for cheques denominated in foreign currency.

SCHEDULE 2 – DEBT COLLECTION*1. Debt Collection:*

A debt is created whenever a credit sale is made or any other obligation to pay money to the University arises. With the exception of research grant claims, Departments are responsible for all aspects of credit control and for debt collection in respect of invoices issued to third parties. Heads of Departments must ensure that proper procedures are in place to monitor all debts and to follow up overdue accounts and must establish a provision for any debts considered irrecoverable. Advice must be sought from the Director of Finance where legal action to recover moneys due is considered.

2. Write-Off and Settlement Procedures:

Uncollectible debts, including in respect of sponsored research activity, will be an expense against the Department. The following authorities exist to write off bad debts or for part settlement, where all reasonable steps have been taken to recover them. These authorities apply to all debts.

- Debtors up to £10,000 – Head of Department to approve write-off
- Debtors of between £10,000 and £25,000 – Director of Finance to approve write-off
- Debtors over £25,000 – Finance Committee to approve write-off
- The write-off will be actioned on CUFS by the Finance Division.
- The Taxation Section must be informed of all write-offs of VAT invoices, as the VAT may be reclaimable.

SCHEDULE 3 – TRAVEL, SUBSISTENCE, AND ENTERTAINMENT

1. The following rules apply to University employees.

2. Travel and subsistence reimbursement claims must be made on University claim forms or other forms or means approved by the Director of Finance. Rates of reimbursement are set by the Finance Committee and notified to Departments by the Finance Division.

3. The following conditions apply to travel and subsistence expenses:

- Only actual expenditure incurred on University business will be reimbursed, in accordance with the rates set by the Finance Committee.
- Supporting vouchers for the cost of accommodation, food, and other items of expenditure must be produced.
- Where a claim is made for use of an employee's vehicle the vehicle must be adequately insured.
- Subsistence expenses will only be paid where the employee is required to be away from their normal place of work.
- Employees cannot be reimbursed for the cost of travel between home and normal place of work otherwise than in exceptional circumstances and the Head of Department gives prior written consent. Such reimbursement is likely to be taxable and must be made via payroll unless the Taxation Section gives prior written consent.
- Expense claims for employees' own mobile telephone calls and rental costs are not normally reimbursable.
- No one shall authorize reimbursement of his or her own expenses. Claims should, whenever possible, be approved by an employee senior to the claimant. Where it is impractical for senior staff to authorize claims, the Head of Department may authorize in writing appropriate alternative arrangements.
- Advances may be granted at the discretion of the Head of Department and up to the estimated cost of one month's subsistence. The Director of Finance may give prior written consent for advances longer than one month's subsistence if operationally required. Requests for advances must be made on University expense claim forms giving details of dates and countries to be visited and a breakdown of the advance required.
- Claimants must submit full documentation promptly. Accounting for the claims against advances must be completed within one month of the return date.
- Departments are responsible for maintaining such records as are necessary for the completion of annual P11D returns for taxable benefits.

4. The following conditions apply to entertainment:

- Entertaining should where appropriate be carried out in the University's own facilities in Departments or in Colleges.
- Entertainment expenditure must be an appropriate use of University money. A schedule must be included with the claim giving details of those entertained, their Department, and the purpose of the entertainment.
- A tax liability will normally arise for business entertainment where there are more employees than non-employees at an event. Such events must be disclosed on the annual P11D.
- Expense claims for entertaining must be supported by vouchers and authorized by the Head of the Department (except where the Head is the claimant, when suitable alternative arrangements for authorization must be made).
- Those authorizing and submitting claims for payment for entertaining must be made aware that this action is a declaration that the cost was incurred wholly, necessarily, and exclusively for University purposes.
- If in any case tax is subsequently levied, any cost which is not recoverable from the individual beneficiaries will fall on the Department.

5. The Financial Procedures Manual makes provision for payment of expenses for some non-employees.

SCHEDULE 4 – STORES AND EQUIPMENT*Stores*

1. Heads of Departments shall keep full, proper, and correct records of stock. A full stock take must be performed annually between 1 June and 31 July in addition to any regular interim stock takes. The stock value shall be reported to the Finance Division at the lower of cost (CUFS uses average cost which is equivalent to

'cost') or net realizable value. Details of goods may be required by the Finance Division for inclusion in the year end accounts.

2. Heads of Departments shall establish procedures to ensure that:
 - stock is ordered only in appropriate quantities of suitable quality at the best terms available, after appropriate requisition and approval;
 - stocks are adequately protected against loss, misuse or obsolescence;
 - stock is kept at the minimum level required to support departmental requirements;
 - all stock movements are recorded and allocated correctly to the appropriate user; and
 - stockholdings are regularly reviewed for obsolete stock which should be disposed of at an appropriate time to obtain the best value possible for the University (normally expected to be market value).
3. Departments must ensure that best value is obtained for the sale of any goods to external bodies or to Staff.

Equipment

4. *Equipment (including vehicles):*

Heads of Departments shall establish procedures to ensure that all items of equipment are adequately protected against loss and misuse and that all purchases and disposals of equipment are properly authorized, accounted for, and recorded.

5. Equipment purchases under research contracts are subject to the competition requirements in Regulation 18. Staff must consider as part of the award criteria the whole life time costs to the University of equipment procurement (and take into account EMBS advice on any infrastructure impact). Specific rules may apply to the depreciation costs allocated to EU grants. Assets bought by the University remain University property until sale or disposal unless sponsors require otherwise.

6. Fixed asset registers must be maintained (with a minimum requirement for all items costing more than £10,000). The Finance Division will set this up if the relevant purchase invoices on CUFS is marked 'track as asset' when the invoice is being processed.

7. The Finance Division must be informed of disposals of tracked assets. Any proceeds from the sale of equipment will usually be credited to the account of the Department concerned.

8. Where equipment is loaned or received on loan, Departments must have procedures to ensure that an appropriate agreement and insurance are put in place and that the equipment is returned in good condition.

9. *Vehicles:*

University-owned vehicles may only be used by authorized personnel on University business. A record of authorized drivers must be maintained by the Department. University vehicles should not usually be used for travel to and from work and they should be left on University premises at night. Where the use of a University vehicle is authorized for travel to and from work and it is not left on University premises at night, the employee is likely to be taxed on the benefit enjoyed. Such use must be declared on the P11D return.

SCHEDULE 5 – DEFINITION, ADVICE, AND GUIDANCE

Definitions and Interpretation

Competitive Proposals	Written bids submitted by a specified date (the Procurement Procedures provide sample documentation)
Competitive Quotes	Quotations in writing, including via fax or email (the Procurement Procedures provide sample documentation)
CPO	The University Central Purchasing Office
CUEF	The Cambridge University Endowment Fund in which the main University endowments are pooled
CUFS	Cambridge University Financial System
Department, Head of Department	As defined in Regulation 4.1
Deposit Account	A University wide facility that allows Departments to invest surpluses
EMBS	The University's Estate Management and Building Service
Embedded Company	A company occupying University premises or whose employees' normal place of work is on University premises, other than as temporary visitors or to provide services to the University
EU Threshold	A threshold from time to time in force above which a public contract must be let in accordance with public procurement legislation
Framework Contract	Any framework contracts approved by CPO
HEFCE	The Higher Education Funding Council for England
Investment Board	The board which manages for the University the investment of the CUEF
Marketplace	Any supplier catalogue or process for obtaining offers which is made available electronically through CUFS
Nolan Principles	The seven principles identified by the Committee on Standards in Public Life
Planning and Resources Committee (PRC)	Planning and Resources Committee of the Council and the General Board
Procurement Procedures	The guidance and model documents on procurement in the Financial Procedures Manual or published on the CPO web pages
RSD	Research Services Division

Staff	All employees irrespective of whether their appointment specifically includes financial responsibilities and however their employment is financed together with anyone else who has any responsibility for the administration, management or expenditure of any University Income or conducts any University Business
Sites and Buildings Regulations	The University's Sites and Buildings Regulations set out in Ordinances
Total Value	The contract value or estimated value as follows: (a) fixed period contract: the total price to be paid or which might be paid during the whole of the period; (b) recurrent transactions for the same type of item: the aggregated value of those transactions in the coming 12 months; (c) uncertain duration: monthly payment £ 48; (d) feasibility studies: value of the follow-on scheme
University	The Chancellor, Masters, and Scholars of the University of Cambridge
University Business	University business which has a financial impact
University Income	All monies, regardless of source or purpose, which are due or paid to the University or made available to individuals because of their association with the University

Terms are to be understood as used in Statutes and Ordinances, unless the context of the Regulation requires otherwise.

Words preceding 'include', 'includes', 'including', and 'included' shall be construed without limitation by the words which follow those words.

Further Guidance is contained in

- the Financial Procedures Manual
- Web pages of
 - Finance Division (including CPO and Insurance)
 - Research Services Division
 - Human Resources Division
 - Secretariat (Data Protection and Freedom of Information)
 - Management Information Services Division
 - Legal Services Office and
 - Cambridge Enterprise (for Cambridge University Technical Services Limited)

AUDIT COMMITTEE

Amended by Grace 6 of 3 December 2008

1. There shall be a standing committee of the Council, called the Audit Committee, which shall consist of: Membership.

- (a) a member of the Council in class (e) appointed by the Council to serve as Chairman of the Committee, Chairman.
- (b) two members of the Council appointed by the Council from among its members who are members of the Regent House, provided that neither the Vice-Chancellor, a Pro-Vice-Chancellor, nor the Chairman of a Council of a School shall be eligible to serve,
- (c) four persons, not being members of the Regent House or employees of the University, appointed by the Council with regard to their professional expertise and experience in comparable roles in corporate life, including at least two members with experience of finance, accounting, or auditing,
- (d) not more than two persons, of whom at least one shall be a member of the Regent House, neither being members of the Council, co-opted by the Committee, provided that it shall not be obligatory for the Committee to co-opt any person or persons.

2. Members in classes (a), (b), and (c) shall be appointed in the Michaelmas Term to serve for three years from 1 January next following their appointment. No member in class (a), (b), and (c) may serve for more than eight consecutive years. Co-opted members shall serve until 31 December of the year in which they are co-opted or of the following year, as the Committee shall decide at the time of their co-optation.

3. No person may be a member of the Audit Committee who is a member of the Finance Committee of the Council. If a member of the Audit Committee becomes a member of the Finance Committee, his or her place shall thereupon become vacant. Restrictions.

4. The Audit Committee shall meet at least twice in each financial year. It shall be the duty of the Committee: Duties.

- (a) to keep under review the effectiveness of the University's internal systems of financial and other control;

- (b) to advise the Council on matters relating to the external and internal auditors, including their appointment, the provision by the auditors of any additional services outside the scope of their regular responsibilities, the remuneration of the auditors, and any questions relating to the resignation or dismissal of auditors;
- (c) to ensure that sufficient resources are made available for internal audit;
- (d) to approve proposals for internal audit put forward by the internal auditors;
- (e) to review annually with the external auditors the nature and scope of the external audit;
- (f) to consider any reports submitted by the auditors, both external and internal;
- (g) to monitor the implementation of any recommendations made by the internal auditors;
- (h) to satisfy themselves that satisfactory arrangements are adopted throughout the University for promoting economy, efficiency, effectiveness, and risk management;
- (i) to establish appropriate performance measures and to monitor annually the performance and effectiveness of the external and internal auditors;
- (j) to consider, in consultation with the external auditors, (i) any financial statements annexed to the abstract of accounts, including the auditors' report, and (ii) any statement provided by the Council on the governance of the University;
- (k) to ensure that all significant losses are properly investigated and that the internal and external auditors, and where appropriate the Higher Education Funding Council for England, are informed;
- (l) to oversee the University's policy on fraud and irregularity, and to ensure that they are informed of any action taken under that policy;
- (m) to make an annual report to the Council, the Vice-Chancellor, and the Higher Education Funding Council for England;
- (n) to receive reports from the National Audit Office and the Higher Education Funding Council for England, and to advise the Council thereon;
- (o) to forward minutes of their meetings to the Council.

5. No business shall be conducted at a meeting of the Audit Committee unless five members at least are present, of whom at least one shall be a member from class (b) and two shall be members from class (c).

INTELLECTUAL PROPERTY RIGHTS

General

Who the regulations apply to.

1. The following regulations apply to all University officers, as described in the Statutes and Ordinances of the University, and to all other persons employed by the University. The term 'University staff' in these regulations denotes all the above persons. The provisions of these regulations may also concern visitors to the University, and to associates and students of it, by virtue of Regulations 12, 13, and 14.

Non Disclosure Agreement.

2. Nothing in these regulations shall override the requirement for employees and students to keep confidential material the disclosure of which would be inconsistent with their duties under professional codes; material that is decreed to be confidential by a relevant ethics committee; or material that is obtained under the terms of a Non Disclosure Agreement. Moreover, nothing in these regulations shall override agreements that students or the University, on behalf of, and with the knowledge of, University staff or students, have entered into with third parties as a condition of sponsorship or research funding.

Definitions

3. In the following regulations, the following definitions shall apply:

'creator': a person who invents, devises, designs, develops, breeds, works out, discovers, conceives, performs, produces, translates or expresses;

'creates': invents, devises, designs, develops, breeds, works out, discovers, conceives, performs, produces, translates or expresses;

'relevant creator': a creator eligible to be named in an application for registerable rights, for example inventors in the case of a patent; or any creator in the case of nonregisterable rights.

Freedom to make research public

4. University staff are entitled to decide that the results of any research undertaken by them in the course of their employment by the University shall be published or disseminated to other persons to use or disclose as they wish in accordance with normal academic practice.

However, if University staff decide that the results of their research should be commercialized, they should be aware that, in respect of patents and similar rights in inventions and new technology, protection for and subsequent commercialization of such inventions may be jeopardized if information about the inventions is made available to the public anywhere in the world before all relevant applications for protection have been lodged. Any statement, oral or written, which is made to another person or persons who are under no obligation to keep the information confidential will negate the validity of a patent for the invention in many countries.

Prior disclosure.

Initial entitlement to intellectual property rights

5. Where intellectual property rights arise, or the right to apply for such rights arises, from the results of activities undertaken by University staff in the course of their employment by the University, the initial entitlement to those rights shall be as provided in the following regulations. Research undertaken by University staff in the course of their employment by the University shall include all research conducted under the obligation to do so, expressed or implied, in their terms of employment. The time when, and the place where, particular research results are reached or achieved shall be factors to be taken into consideration in assessing whether the research is in the course of employment. Where a person external to the University consults a University staff member for advice, that advice will normally be regarded as private and therefore as forming no part of her or his obligations in the course of employment by the University.

6. The University shall have the initial right to apply throughout the world for a patent for an invention, for another right in novel technology such as a utility model or petty patent, for a plant variety right or plant patent, and for a registered design for a product, any trade mark registration associated with another registerable right belonging to the University, or any other type of intellectual property that is dependent on registration, deposit, or grant at the time that these regulations are approved. The University or its delegated nominee, currently the University's wholly owned subsidiary, Cambridge University Technical Services Ltd (CUTS), will become the proprietor of any intellectual property right that is in consequence granted or registered. A University staff member who is the relevant creator shall be named as such in the application.

7. Other intellectual property rights, arising from the activities of University staff in the course of their employment by the University, which exist without the need for any formal application at the time these regulations are approved, belong to the University staff member who creates the results subject to any third party rights which he or she may have previously agreed. This applies in particular to copyright and moral rights in literary, dramatic, musical, and artistic works; copyright in software, notwithstanding that there may also be patentable results embodied in the software; copyright arising from authorship of a database; performers' rights; unregistered design rights; and rights over information (such as trade secrets and confidential know-how).

8. The University shall own any registered trademark which would associate the University with the exploitation of a product or service. Notwithstanding Regulation 7, the University shall own copyright, database rights, and other unregistered rights arising from the activities of University staff in the course of their employment by the University in (a) subject matter created for the administrative or managerial purposes of the University, including advice to students other than teaching materials; (b) subject matter such as examination papers and library catalogues; and (c) any other subject matter commissioned by the University, such as special reports on its policy or management. For the purposes of this regulation, works commissioned by Cambridge University Press in the course of its business shall not be regarded as such commissioned subject matter.

Registered trademark ownership.

9. Material or other subject matter that is developed in the University of which the copyright is owned by the University, including any that may fall under Regulation 8, may be released under Open Source or similar arrangements on the authority of the Head of Department in which the material is created. The Head of Department may delegate such authority within a Department without restriction. (When material is derived from material acquired under Open Source arrangements that require any

Open Source arrangements.

distribution of derived material to be under the same arrangements, no authority to distribute need be sought.)

10. The law accords rights against exploitation of certain products by third parties to creators who organize their production; these include sound recordings, films, broadcasts, published works (in respect of their typographical arrangement) and databases (in respect of extraction and utilization of their content). These rights over products are additional to, and do not affect, copyrights and performers' rights of the kind referred to in Regulation 7 that protect works and performances included in the products. In any case where, because the University is the investor or co-investor in such products, it acquires these rights by operation of law, the University:

- (a) by virtue of these regulations grants licence to these rights to each creator free of charge or other obligation; and
- (b) undertakes, on the joint request of all who contributed to the creation of the product, to assign these rights to those persons free of charge or other obligation on the latter's part.

11. The party initially entitled to an intellectual property right by virtue of Regulations 6–8, whether the University or a University staff member, may deal with the right by assignment, licence, waiver, or other dealing entered into before or after creation of the subject-matter of the right, so far as is permitted by law. The University may elect to assign its intellectual property rights in appropriate cases to a nominee company.

12. The University shall require College Teaching Officers and College Research Fellows working on University research projects to agree to be bound by the regulations in the same manner as University staff or by such other terms as may be agreed in the circumstances. It shall be for the relevant College to agree with the University what share (if any) in the portion of net revenue accorded to central funds under Regulation 25 shall instead be allotted to the College.

13. It shall be the responsibility of a University staff member to ensure that visitors or other non-University employees, working on a University project for which the University staff member is named as principal investigator, do not compromise the University's intellectual property obligations to third parties with respect to that project. University staff members named as principal investigators on research grants and contracts should consider whether visitors or other non-University employees should be asked to enter into agreements in order to achieve this.

14. The entitlement to intellectual property rights in material created by a student shall rest with the student, with the following exceptions:

- (a) Where a student is sponsored by a third party, a condition of sponsorship may be that the sponsor may own any intellectual property developed during the period of sponsorship. Sponsored students are, therefore, advised to check the terms of their sponsorship agreement.
- (b) Where a student is working on a sponsored project as part of his or her course-work or research, the sponsor may own any intellectual property that the student develops. This will be specified in the research contract and the supervisor or Department should inform students if this is the case as early as possible in the admissions process and in any case prior to start of their research.
- (c) Where a student is working in collaboration with others in a manner that gives rise to joint creation of intellectual property, or interdependent intellectual property, the student may be required to assign intellectual property to the University or place the results in the public domain without restriction. He or she will be treated in the same way as University staff under these regulations. If this case is likely to arise, students should be so informed at the offer of admission where practical, and in any case prior to the start of their research.

A student who believes that clause (c) above has been inappropriately applied may make an application to the University Technology Referee under Regulation 15.

A sponsorship agreement may also place a requirement on the student and his or her examiners to undertake to keep results confidential while steps are being taken to protect intellectual property or to establish exploitation arrangements. The student may also be required to submit the dissertation to the sponsor for scrutiny before submitting it for examination. Any confidentiality agreement whose purpose is to delay public disclosure for the purpose of protection should usually not have effect for longer than three months from the time the sponsor is notified of intent to publish. When the University obtains an assignment of student-created intellectual property, it undertakes to provide the student with a share in such financial returns from the exploitation as there may be on the same basis as that applying to University staff by virtue of Regulation 25.

College
Teaching
Officers and
Research
Fellows.

Students.

15. Where a dispute occurs between the University and a University staff member, a person referred to in Regulation 12 or a student, or between staff members, a person referred to in Regulation 12 and/or a student, as to the application of these regulations or the terms of the agreement on which they should enter, or on which they have already agreed to proceed, concerning the commercial exploitation of any intellectual property rights, or the subject matter to which such rights relate, the dispute shall, at the request of either, be referred to a University Technology Referee in accordance with Regulations 32–39. Disputes.

Scope of application

16. These regulations shall apply to all intellectual property rights relating to subject-matter created on or after 12 December 2005 save to the extent that a University staff member has, before that date, entered into an explicit arrangement to the contrary with the University or the University has previously entered into an agreement with a third party relating to those rights. Intellectual property rights in subject-matter invented, devised, made, or created before that date shall be governed by the previous agreements, rules, policies, and notifications of the University which affect them. In all other respects the present regulations shall replace and supersede the policy set out in the General Board Notice¹ on commercial exploitation of inventions funded by Research Councils, and that approved by Grace 6 of 21 March 2001. Effective date.

Interpretation

17. In these regulations, references to acts to be done by or in relation to the University in the exercise of any right or power, or in fulfilment of any duty or responsibility, are to acts done by or on behalf of the Council or by a duly designated officer and to directions given by the Council.

ADMINISTRATION OF THE UNIVERSITY'S INTELLECTUAL PROPERTY PROVISIONS

General

18. If University staff decide that the results of their activities should be the subject of commercial exploitation, and that the rights to those results are reasonably capable of including rights to which the University is initially entitled by virtue of Regulation 6, they must notify the University, through the Research Services Division, and the relevant Chairman of Faculty Board, or Head of Department or other institution and provide the University with full disclosure of the relevant results in order that the steps referred to in Regulations 19–24 may take place. University staff shall assist the Research Services Division to take reasonable steps to determine who all the creators of the subject matter are and whether any agreements govern the ownership or exploitation of the subject matter. The Research Services Division shall ensure that students' supervisors or contract researchers' line managers are aware of the intention to exploit commercially. Commercial exploitation.

19. The University staff shall discuss with Cambridge Enterprise the path for exploitation, with the aim of reaching agreement on confidentiality, whether a patent application should be filed, and whether a company should be formed to exploit the technology. Cambridge Enterprise.

20. If Cambridge Enterprise, with the agreement of the University staff member(s), decides that a patent or other form of intellectual property right requiring registration should be applied for in respect of one or more countries in the world, it may exercise its entitlement to do so in the University's name, or in the name of its designated nominee, in accordance with Regulation 6. In respect of any such application, all inventors shall be included in any application that requires them to be named.

21. The relevant creator of the subject matter, or creators acting jointly, may decide that they do not wish it to be exploited through Cambridge Enterprise and then may require the University to assign the rights referred to in Regulations 6 and 20. If not in contravention of any agreement governing ownership or exploitation of the subject-matter, this assignment may be to the creators for a fixed percentage of royalty income in the case where the creators decide to license or assign the rights to a third party; or under negotiated licence/equity terms when the creators are forming a company to exploit the rights. In the last-mentioned case, the guiding principle shall be that a fixed percentage of the rights attributed, on a fair and reasonable basis, to intellectual property, often referred to as inventors' rights, shall be assigned to the University. Any assignment by the University shall be Assignment of rights.

¹ *Reporter*, 1986–87, p. 440, dated 26 February 1987.

conditional on the repayment of any funds expended by Cambridge Enterprise on protection of the subject-matter. If the creators cannot reach agreement, Cambridge Enterprise shall make a decision, against which any party may make application to the Technology Referee. The fixed percentages referred to in this regulation are set out in the Schedule attached to these regulations.

The determination of whether such an assignment is or is not in contrary to any agreement shall be made by the Research Services Division within 30 days of being supplied with all relevant information. Any determination may be the subject of a reference in accordance with Regulations 32–39.

Decision to pursue application.

22. In the case where the creators do wish to commercialize through Cambridge Enterprise, Cambridge Enterprise shall decide, within 30 days, or such longer time as it and the University staff may agree to, of receiving notification of sufficiently detailed research results, whether to make any application, in the UK or elsewhere, of the type referred to in Regulations 6 and 20. If it does, it must inform the University staff who have notified the results and it must make and prosecute the application with all reasonable diligence.

Decision not to pursue application.

23. If Cambridge Enterprise decides not to pursue an application, to withdraw an application, or not to maintain a granted or registered right, it must forthwith inform the University staff who have created the subject-matter of its decision. The University shall seek to determine with those persons the future course of action with financial arrangements as in Regulation 21.

24. During the period following receipt of notification of the research results from a University staff member, Cambridge Enterprise shall consider with her or him how commercial exploitation of the results shall or may be pursued, having regard to all reasonable proposals for that exploitation made by the staff member. Cambridge Enterprise and the University staff member shall keep each other informed and shall co-operate fully in order to achieve an agreed outcome. Where a University staff member is entitled to intellectual property rights under Regulation 7 over information in subject matter or other material and those rights are relevant to the exploitation of the University's rights under Regulation 6, the staff member may agree to assign or license her or his intellectual property rights either to the University, to the University's designated nominee, or to a third party in furtherance of such arrangements for exploitation as may be reached.¹

Net revenue shared.

25. Where the University or its designated nominee receives licensing income from the commercialization of intellectual property rights by virtue of Regulation 6, or by virtue of any assignment to the University or nominee of a University staff member's intellectual property rights under Regulation 7, whether in association with the exploitation of the University's rights under Regulation 6 or by virtue of Regulation 27, any direct costs, as defined in the Schedule to these regulations, shall be deducted and the net revenue shall be shared between the relevant creators of the material or other subject matter (here referred to together as 'inventors') protected by intellectual property rights, her or his Department, Faculty or other institution, and the University as specified in the Schedule to these regulations.

Where University staff together contribute to the creation of intellectual property that is subsequently exploited, the distribution of the inventors' share of revenue shall be a matter for those staff members to determine, referring the matter if necessary in accordance with Regulation 15. They shall notify Cambridge Enterprise of the resulting arrangements. If the staff members do not reach an agreement, Cambridge Enterprise shall refer the matter, by application, to the Technology Referee under Regulation 33.

A royalty sharing arrangement under this regulation shall continue in effect after the person concerned ceases to be a University staff member or to hold a position or status which makes the regulation applicable. Upon the death of such a person, her or his share under this regulation shall continue to be payable to her or his estate or a nominee thereof.

Confidentiality.

26. During any period in which Cambridge Enterprise, with the agreement of the University staff concerned, is considering whether to make an intellectual property application or applications that entail keeping the subject-matter from being available to the public beforehand, Cambridge Enterprise shall, and other parties should, keep the research results confidential until those applications have been made and are therefore no longer in jeopardy from any prior publication. If a University staff member decides to make the relevant results public before the applications have been made, he or she must be aware that those applications are likely to fail and shall inform Cambridge Enterprise as soon as possible.

¹ See the explanatory note on p. 985.

Where a University staff member is solely entitled to intellectual property rights under Regulation 7

27. Where a University staff member is entitled to any intellectual property right in accordance with Regulation 7, he or she may seek the assistance of Cambridge Enterprise in arranging exploitation of the rights, for instance by agreeing a fee for management by the University's designated nominee, or by assigning the rights to the nominee in return for use of the University's name, arms, or trade marks and then adopting the revenue-sharing arrangement described in Regulation 25.

External sponsorship

28. An agreement may be reached by the University with an external sponsor of research or a third party, under which, in return for the agreed level of funding or sponsorship for research, transfer of materials, or other collaboration, the third party or the University shall be entitled to the intellectual property rights relating to the results of the research, or the third party shall be entitled to an assignment of those rights or the right to apply for them, or a licence of or other interest in any such rights that the University may subsequently own. So far, however, as such intellectual property rights consist of copyright or other informal rights referred to in Regulations 7 and 10, this provision applies only where it is explicitly stated that such rights are included in the agreement, University staff, in agreeing to conduct research under such an agreement shall be deemed to have agreed to comply with the terms of the agreement. In particular the University staff shall execute any assignment of intellectual property required by the agreement and abide by any confidentiality conditions specified in the agreement. Such agreements shall designate the person to whom University staff must notify relevant research results and the period within which the notification must be given. Standard terms for these undertakings may be included in the Model Research Collaboration Agreement that is available from the Research Services Division.

Specific exceptions concerning copyright and database right

29. Where the University participates in, or establishes, a specific project to organize teaching or other dissemination of knowledge, otherwise than to its own students, or a project to set up and maintain a database it may require that intellectual property rights arising in relation to material incorporated into the project or arising from it be assigned or licensed to it as part of an agreement for the management of the project. If such a requirement exists it shall be made and agreement sought before the project is begun.

30. In relation to teaching materials prepared by a University staff member for use in the teaching primarily of the University's students, unless the Faculty Board or other body responsible for teaching has agreed explicitly to the contrary, the University shall have a non-exclusive, royalty-free, perpetual licence to use the material for teaching in the University.

Teaching materials.

Use of the University's name, arms, and trade and service marks

31. The University is solely entitled to use its name and arms, and to trade marks, service marks, corporate names, and domain names in which either appears, where the use of the name, shield, or mark is such as to suggest that the University is engaged in, or is connected with, or sponsors, the activities. In appropriate circumstances the Council or a duly authorized officer may, subject to such conditions as may be determined in a particular case, permit a University staff member wishing to commercialize her or his intellectual property rights under Regulation 7 or 21 to use the name, arms, or mark for commercial activities with which they are or will be associated.

ADJUDICATION AND APPEAL

32. The Council shall maintain a panel of persons to serve as University Technology Referees. Such persons need not be members of the University. One member of the panel shall be designated by the Council as Chairman of the panel. The Council may appoint a Deputy Chairman to serve if the Chairman is not able or willing to act in a particular case. A Secretary of the Panel of University Technology Referees shall be appointed in accordance with Regulation 39. The identity of the members

University Technology Referees.

of the Panel of University Technology Referees, its Chairman, and Secretary shall be published in the *Reporter*.

The Council shall also maintain a panel of persons to serve on a Technology Appeal Tribunal in accordance with Regulation 35.

33. If a dispute arises as to the interpretation of these regulations:

- (a) the University staff member, or a person referred to under Regulation 12 or the student concerned, or a duly authorized person representing the University, hereinafter the 'applicant', shall send written notice to the Secretary of the Panel of Referees of the facts of the dispute within thirty days of the dispute arising, and shall at the same time send the same material to the other parties to the dispute;
- (b) any other party to the dispute may submit comments on the applicant's submission to the Secretary within fourteen days of receipt of the submission;
- (c) the Secretary shall notify the Chairman (or Deputy Chairman) who shall act herself or himself or shall designate a member of the panel to act as the Referee in a particular case; the Secretary shall notify the applicant and other parties to the dispute of this appointment;
- (d) the Referee shall consider the material submitted by the applicant and other parties to the dispute;
- (e) at her or his discretion the Referee may hold a hearing at which all parties to the dispute shall normally be entitled to be present and to be represented. The Referee may also request evidence be given in writing, or by way of oral hearing, by any other member of the University staff, College Teaching Officer, College Research Fellow, or student, as the Referee sees fit;
- (f) following consideration and hearing the Referee shall issue a written adjudication, to be communicated to the Registry, and the parties to the dispute. Such adjudication shall include recommendations as to the resolution of the matter in dispute. The Referee shall make reasonable efforts to issue this adjudication within 45 days of the original application to the Secretary of the Panel of Referees;
- (g) the Chairman, or the Referee if a Referee has been appointed, may dismiss summarily a complaint which, in her or his opinion, is trivial, vexatious, or out of time.

34. Any participating party aggrieved by the Referee's adjudication may, within thirty days of notification of the adjudication, appeal to the Technology Appeal Tribunal. Such appeal shall be made in writing to the Clerk of the Tribunal, and shall include full documentation. A copy of such papers shall be sent by the appellant to those mentioned in Regulation 33(a).

35. The Technology Appeal Tribunal shall consist of:

- (a) a legally qualified Chairman, designated by the Registry to serve in a particular case from a panel of Chairmen to be maintained by the Council;
- (b) *either*
 - (i) (when the referral does not involve a student) two members of the Regent House, designated by the Registry from a panel of members of the Tribunal to be maintained by the Council;
 - or*
 - (ii) (when the referral does involve a student), two members of the Regent House, one designated by the Registry from a panel of members of the Tribunal to be maintained by the Council, the other nominated by the Senior Tutors' Committee,
- (c) (when the referral involves a student) a student chosen from a panel of members of the University *in statu pupillari* appointed by the Council under the procedure used to choose a student member of the Court of Discipline.¹

No person shall serve on the Tribunal if he or she has previously served as Chairman, Deputy Chairman, or Referee in the initial reference of the particular case or is subject to a conflict of interest.

36. The Chairman of the Tribunal for the particular case shall determine whether the proceedings shall be dealt with on the basis of written representations, or at an oral hearing, or both, provided that the Chairman shall normally determine that an oral hearing shall take place if one of the parties requests it.

37. The decision of the Tribunal shall be notified in writing to the parties, and to the Registry.

38. The Chairman of the Panel of Referees and the Chairman of the Tribunal may from time to time make procedural rules about the respective procedures, either of general application, or in respect of a particular case. A decision of the Tribunal in a particular case shall bind the parties, subject to

¹ See p. 203.

any rights which a member of the academic staff has under Statute U, to any disciplinary proceedings brought by the University under Statutes B and U, to any review proceedings before the Commissary under Statute D, V, to any legal proceedings, and in respect of students, to any relevant student complaints or adjudication procedures.

39. The Registrary shall designate a person to act as Secretary of the Panel of Referees, and as Clerk of the Tribunal.

SCHEDULE

Royalty income

In the following, net royalty refers to royalty income less expenditure on:

- (a) all reasonable expenses paid outside the University and Cambridge Enterprise, including patent agent fees, for the filing, prosecution and maintenance of intellectual property rights;
- (b) all reasonable external legal fees incurred in the commercialization of the intellectual property;
- (c) all reasonable external legal fees expended on litigation;
- (d) all reasonable expenditure on insurance relating to the maintenance and enforcement of intellectual property rights;
- (e) any revenue due to third parties, for example sponsors; and
- (f) any other expenditure that is agreed with the inventors.

Where Cambridge Enterprise is involved in exploitation, the share of revenues from net royalties shall be as follows.

<i>Net Income</i>	<i>Inventors (jointly)</i>	<i>Department</i>	<i>Cambridge Enterprise</i>
First £100,000	90%	5%	5%
Next £100,000	60%	20%	20%
Above £200,000	34%	33%	33%

Where Cambridge Enterprise is not involved in exploitation, the share of revenues from net royalties shall be as follows.

<i>Net Income</i>	<i>Inventors (jointly)</i>	<i>Department</i>	<i>Central Funds</i>
First £50,000	100%	0%	0%
Above £50,000	85%	7.5%	7.5%

Where the inventors form a company under Regulation 21, that is, without the involvement of Cambridge Enterprise, the fixed percentage of inventors' rights referred to therein shall be 15%.

Thresholds in these schedules shall be index linked from 12 December 2005 using the Retail Prices Index.

Share of equity in new businesses

The share of equity in new businesses shall be negotiated on a case by case basis having due regard of the contribution of creators to the business beyond the creation of IPR and of any funding that is made available by the University or Cambridge Enterprise.

EXPLANATORY NOTE TO REGULATION 24

Notice (Reporter, 2008–09, p. 335)

The Council in its Notice in response to the Board of Scrutiny's Thirteenth Report agreed to the Board's Recommendation 8 that it should publish an explanatory note to Regulation 24 for Intellectual Property Rights in *Statutes and Ordinances*. It accordingly attaches below the comments on the scope of Regulation 24 made by the Technology Appeal Tribunal after a hearing held on 1 May 2007. The full text of the Tribunal's decision is available at http://www.admin.cam.ac.uk/offices/secretariat/ipr/ipr_appeal.pdf.

The scope of Regulation 24:

5. Regulation 24 commences as follows;

'During the period following receipt of notification of the research results from a University staff member, Cambridge Enterprise shall consider with her or him how commercial exploitation of the results shall or may be pursued, having regard to all reasonable proposals for that exploitation made by the staff member. Cambridge Enterprise and the University staff member shall keep each other informed and shall co-operate fully in order to achieve an agreed outcome.'

6. In his written submissions to the Tribunal, [the appellant] said 'there has to be an agreed outcome and co-operation between the University staff member and CE and this has to be based upon the wishes of the creator of the intellectual property'. This was developed during the course of oral submissions before us. It was argued that if there was no agreement on a particular issue there was no 'agreed outcome' as referred to by Regulation 24. In the absence of agreement, the matter had to go to the Referee for determination. We do not accept this argument except in as much as there should normally be reasonable opportunity for the Referee to become involved if appropriate. In our view, when the Regulations refer to CE [Cambridge Enterprise] and the staff member co-operating 'in order to achieve an agreed outcome' it means that those parties must co-operate with

the objective of achieving an agreed outcome. It is not dependent upon an agreement being achieved and it does not bestow on the staff member a veto. The Regulations mandate a process, not an outcome. Furthermore, where CE and the relevant staff member have agreed a particular outcome, for example an agreement for exploitation between CE and a third party, Regulation 24 does not give the staff member a right to be consulted on, or a veto over, every commercial decision to be made within the scope of that agreement. Were it otherwise it would become difficult to run any normal commercial arrangement with third parties. Indeed we think that were staff members to have such wide-ranging powers, it could be a significant disincentive to third parties who might otherwise be tempted to invest in the results of Cambridge research. We do not believe the Regulations should be read that way. That would be to the long term disadvantage of both the University and its staff.

7. In our view, Regulation 24 requires CE and the staff member to enter into bona fide discussions with the aim of achieving an agreed outcome. The views of the originator of the research are to be given great weight. The Regulation requires the member of staff and CE to keep each other informed and to co-operate fully. The word 'fully' clearly governs the obligation on the parties to co-operate. Whilst, as a matter of grammar, it may not also govern their obligation to keep each other informed, in our view full co-operation involves not just bona fide discussion but also an obligation to keep each other fully informed of any significant factor which can be or is likely to be taken into account in determining how the research is to be exploited. Full co-operation involves the parties being on as near an equal footing as possible as far as knowledge of relevant facts is concerned. Furthermore such disclosure must be done at a time which gives the disclosee a reasonable opportunity to make a proper assessment, to respond and, where suitable, to make counter-proposals. Save in cases of necessary urgency, the disclosee must also be informed sufficiently in advance to enable him or her to properly consider the implications of what is being proposed by CE, to formulate and properly present a response. We emphasise that the obligation of disclosure only applies to significant factors. It does not mean that the parties are obliged to disclose trivial matters to each other.

8. We accept that situations may arise where full disclosure may not be possible. For example it may not always be possible where defence related research is involved. Similarly, occasions may arise where disclosure of some information may put the discloser at significant risk of being in breach of a legal obligation to some third party. In such cases, the discloser must indicate to the other party the nature of the restraint. Once again this must be done in sufficient time to allow the disclosee to express informed views on the claimed restriction and to suggest ways in which it can be avoided or its effect minimised. For example, if commercially sensitive information is involved, the disclosee may be able to suggest a reasonable compromise whereby the information is disclosed to an independent third party acting on her or his behalf who can express views to the disclosee without the need to disclose the confidential information to her or him.

9. In addition to this, we believe that Regulation 24 obliges both CE and members of staff to avoid, wherever possible, entering into arrangements which would hinder their ability to comply with their duty to make full disclosure of relevant information. A party should take reasonable steps to ensure that third parties do not impose restraints on the disclosure of relevant information or, where such restraints are unavoidable, that they are no more extensive than necessary.

10. In any case where there is a reference to the Referee under the Regulations and it appears that significant relevant information has been withheld from one of the parties by the other, the onus is on the withholding party to demonstrate that the information was not significant, that there was a binding obligation not to disclose it or that no reasonable alternative mechanism could have been put in place which would have allowed the disclosee or someone acting on her or his behalf to have access to all or some of the information.

UNIVERSITY PROPERTY: SITES AND BUILDINGS

GENERAL REGULATIONS

1. In the following regulations Regulations 2–10 shall not apply to the University Press, and Regulation 11 shall apply to the University Press only in relation to premises and grounds in Cambridge.

New buildings
and alterations.

2. Every need for a new University building or for a substantial alteration to an existing University building shall be reported to the Council. If the need relates to an institution under the supervision of the General Board, it shall be reported to the General Board for transmission to the Council. Each such report shall indicate the extent of the proposed work.

Duties of
Buildings
Committee.

3. It shall be the duty of the Buildings Committee of the Council and the General Board:

- (a) to consider building proposals submitted to them by the Council;
- (b) to advise the Council whether a site and funds both for the estimated capital cost and for the recurrent costs of maintenance and use are likely to be available for a proposed building;
- (c) to arrange for the planning of buildings in such order of priority and within such estimates of cost as the Council may determine;
- (d) to supervise the erection of any new building or the alteration of any existing building.

Approval by
Grace.

4. Approval by Grace of the Regent House shall be required for any proposal for the erection of a new University building or for the demolition or substantial alteration of an existing University building.

5. The Council shall be responsible for:

- (a) the assignment of University buildings to Faculties, Departments, and other institutions or bodies;
- (b) the allocation of rooms in University buildings, other than rooms in buildings assigned to a particular institution or body, to members of the University and others for occasional use.

Assignment.

6. No change in the use of any University building or of the grounds belonging to it shall be made by the body to which the building is assigned without the approval of the Council.

Change of use.

7. The Buildings Committee shall be responsible, under the Council, for the care, management, and maintenance of all University sites, buildings, and grounds.

Care and maintenance.

8. No substantial repair or alteration affecting the fabric of any University building and no substantial alteration to the grounds belonging to any such building shall be undertaken without the approval of the Buildings Committee.

9. The responsibilities of the Council and the Buildings Committee for the care, management, and maintenance of University buildings and grounds shall be, in consultation with the bodies concerned:

- (a) to take measures for the safety of the premises and to ensure that satisfactory arrangements are made for opening and shutting the premises;
- (b) to take measures for the prevention of fire and to ensure that the Buildings Committee are given details of the persons responsible for keeping in order the fire-fighting equipment in the several buildings;
- (c) to order and supervise the proper maintenance of buildings and grounds including all repairs and decorations;

provided that the Council and the Buildings Committee may delegate all or part of these responsibilities, subject to such conditions as they may prescribe, to the body to whom a University building is assigned.

The cost of carrying out these measures shall be charged to the Buildings Maintenance Fund unless, in the opinion of the Buildings Committee, it is chargeable to a Departmental maintenance fund or to other funds.

10. The Buildings Committee shall publish a list of bodies to whom responsibility has been delegated under Regulation 9, together with any special conditions prescribed, and shall have power to amend the list from time to time after consultation with the bodies concerned.

11. In connection with any proposals for new buildings or for alterations to any premises or grounds belonging to the University, the Buildings Committee shall

- (a) be responsible for negotiations where approval by a Public Authority may be required;
- (b) be consulted concerning an application for financial support to an authority other than a Public Authority.

SCHEDULE

In accordance with Regulation 9 of the general regulations for University Property (Sites and Buildings) and subject to (i) the general duties of the Council under Statute F, I, 2, and (ii) the provisions of Regulations 8 and 11, the responsibilities of the Council and the Buildings Committee under Regulation 9 have been delegated as follows:

1. *To all bodies to whom University buildings are assigned*

- (a) The taking of all necessary measures for the day-to-day maintenance, cleaning, and safety of the premises and grounds, including the prevention of fire, provided that:
 - (i) in accordance with Regulation 9(b) the Buildings Committee are kept informed with whom the responsibility lies for keeping in order the apparatus for the prevention of fire;
 - (ii) in cases where premises or grounds are shared between several bodies, nothing shall prevent the continuance under the supervision of the Buildings Committee of existing arrangements whereby certain facilities and services are provided for the premises as a whole, or the conclusion of similar new arrangements in consultation with the bodies concerned.
- (b) The provision and maintenance of special fixtures, fittings, and furniture the cost of which is chargeable to the funds of the body concerned, provided that, after consultation with the body concerned or at its request, any such special fixtures, fittings, and furniture may be supplied and maintained by the Buildings Committee.
- (c) Power to arrange with the Estate Management and Building Service for the execution of all ordinary repairs the cost of which is expected not to exceed £100.

2. *To the Strategic Committee for the Institute of Continuing Education, the Fitzwilliam Museum Syndicate, the Library Syndicate, the Local Examinations Syndicate, and the Departments of Engineering, Chemistry, and Physics*

Full responsibility for internal repairs and redecorations, provided that work likely to cost £200 or more is not ordered without prior consultation with the Buildings Committee.

3. *To the Botanic Garden Syndicate*

Full responsibility for the upkeep of the grounds, including the glasshouses, and for the internal repairs and redecoration of the buildings, provided that work in connection with the buildings likely to cost £200 or more is not ordered without prior consultation with the Buildings Committee.

UNIVERSITY FUNDS

GENERAL REGULATIONS

In addition to the several funds prescribed by Statute there shall be a University Education Fund, a Buildings Maintenance Fund, a Quinquennial Equalization Fund, a Land Fund, and such other funds as may be prescribed by Ordinance or as the Council shall from time to time determine.

DISTRIBUTION FROM THE AMALGAMATED FUND

1. The appropriation and distribution for expenditure of the fair value of any Amalgamated Fund under Regulation 10(e) of the regulations for financial matters shall be determined as set out in Regulation 2. The Council, on the advice of the Finance Committee, may from time to time recommend amendment of the formula set out in Regulation 2 to the Regent House for approval by Grace.

2. The sum distributed to each unit shall be calculated according to the following formula:

$$(\text{PYD} \times 0.7) + (0.0425 \times \text{BMV} \times 0.3)$$

where:

- (i) PYD for 2005–06 is 110.5p uplifted by an inflation factor taken as the retail prices index of June 2005 plus one per cent and, for the year 2006–07 and subsequent years, is the previous year's distribution per unit in the Amalgamated Fund uplifted by an inflation factor taken as the retail prices index of June of the previous financial year plus one per cent or such other inflation factor as the Council may from time to time determine.
- (ii) BMV is the capital value of one unit in the Amalgamated Fund taken as the mean of the starting capital values of the most recent six half-years, including the first half-year of the current financial year (i.e. the closing value of the Fund on 31 July of that year, plus the two previous 31 July closing values and three previous 31 January closing values).

FUNDS OF FACULTIES, DEPARTMENTS, AND OTHER INSTITUTIONS

- | | |
|----------------------|--|
| Accounts. | 1. Separate accounts shall be maintained for each Faculty, Department, and other institution in such manner as may be prescribed by the Finance Committee of the Council in consultation with the Council or the General Board as the case may be. |
| Responsible officer. | 2. An officer who is required, by or under Statute or Ordinance, to be responsible for the proper application of funds at the disposal of a Faculty, Department, or other institution shall, at the end of each financial year, certify that the statement of the account for which he or she is responsible is correct and that the funds have been properly applied. |
| Balances. | 3. Any balance in the funds of a Faculty, Department, or other institution at the end of a financial year shall be available for the purposes of the particular Faculty, Department, or other institution. |

FUNDS ALLOCATED TO THE COUNCIL

In each year an allocation from the Chest to the Council shall be approved by Grace. The Council shall be empowered to approve grants for recurrent and non-recurrent expenditure from this allocation to the funds of institutions under the supervision of the Council and to such other University funds (other than the University Education Fund and the Travelling Expenses Fund) as they may consider appropriate.

ESTIMATES

- | | |
|-------------|--|
| Submission. | 1. During the Lent Term in each year Faculty Boards and comparable authorities, and Heads of Departments and other institutions, shall prepare estimates of expenditure for the ensuing financial year. Such estimates shall be submitted either to the Council, in the case of institutions under the |
|-------------|--|

supervision of the Council, or to the General Board, in the case of institutions under the supervision of the Board, for consideration by those bodies.

2. Estimates submitted in accordance with Regulation 1 shall be transmitted, when approved by the Council or the General Board, as the case may be, to the Finance Committee of the Council.

3. In the first half of the Easter Term, or as soon as possible thereafter, the Finance Committee shall submit to the Council a statement of the receipts of the Chest and payments from the Chest during the preceding financial year, a revised estimate of the corresponding figures for the current financial year, and an estimate of the corresponding figures for the ensuing financial year.

4. Before the end of the Easter Term or as soon as possible thereafter, the Council shall publish a Report on the financial position of the Chest, recommending allocations for the ensuing financial year to:

- (a) the General Board for the University Education Fund;
- (b) the Council for all other purposes save those specified in other recommendations contained in the Report.

ACCOUNTS

1. The Council shall publish an annual abstract of the accounts of the University, signed by the Vice-Chancellor and a University officer designated for the purpose by the Council.

2. The Council shall also publish an abstract of each of the following accounts: the accounts of the Local Examinations Syndicate, the accounts of the University Farm, the accounts of the Contributory Pension Fund, the accounts of the Colleges Fund, and the accounts of any amalgamated fund established by the Council under the provisions of Regulation 10(e) of the regulations for financial matters.

SPECIAL REGULATIONS

BUILDINGS MAINTENANCE FUND

The Buildings Maintenance Fund shall be at the disposal of the Council for the performance of their duties relating to the care and maintenance of University buildings. The Council, on the advice of the Buildings Committee, shall from time to time make allocations to the Fund of amounts within their total allocation as approved by Grace.

COLLEGES FUND

1. The Colleges Fund maintained under Statute G, II, 18 shall be used to make grants to Colleges for either recurrent or non-recurrent purposes.

2. The Fund shall be managed by a Committee consisting of:

- (a) the Vice-Chancellor (or a duly appointed deputy) who shall be Chairman;
- (b) one person appointed by the Council on the nomination of the Finance Committee;
- (c) one person appointed by the Council on their own nomination;
- (d) two persons appointed by the Colleges.

Members in classes (b)–(d) shall be appointed to serve for six years.

3. The Secretary of the Committee shall be the Registrar or a University officer designated for the purpose by the Council.

4. The Committee shall meet annually to consider representations from Colleges. The Committee shall have discretion to make grants to Colleges from time to time according to their needs and the resources of the Fund. Grants may be either single or recurrent for such period of years as the Committee may decide. All grants shall be reported by the Committee to the Council, who shall publish them to the University.

GENERAL PURPOSE FUNDS

- Title. **1.** Funds which have been established from benefactions made to the University for general or unspecified purposes shall be known as General Purpose Funds and shall consist, as long as any balance remains in the Fund concerned, of the Davy, Harrison, Kirkpatrick, Watkins, and Wightman Funds and such others as may be so designated by the University from time to time.¹
- How used. **2.** The income or capital of any Fund specified in Regulation 1 shall be placed at the disposal of the Council to be used as the Council think fit provided that a statement is published in the *Reporter* on any expenditure therefrom.

LAND FUND

- Purpose. All payments of premium for the lease of land and receipts from the sale of land (other than land held for investment purposes) shall be credited to the Land Fund. The capital and the income of the Fund may be used (a) to purchase sites which are suitable for development for University purposes, and (b) to meet the cost of planning and providing the infrastructure for the development of sites in University ownership, including costs relating to the requirements of Town and Country Planning legislation.

LOAN FUND I

- Committee. **1.** Loan Fund I shall be administered by a Committee consisting of:
 (a) the Vice-Chancellor (or a duly appointed deputy) as Chairman;
 (b) two members of the Regent House appointed by the Council on the nomination of the Council's Finance Committee;
 (c) two members of the Regent House appointed by the Council on their own nomination.
 Members in classes (b) and (c) shall serve for two years from 1 January next following their appointment.
- Applications. **2.** The Committee shall meet not less than once in each term.
- Condition under which loans may be granted. **3.** Applications for loans shall be sent to the Registry by Tutors of Colleges.
4. Applications on behalf of students in their first year of residence shall be considered only in very exceptional circumstances.
5. Loans shall not be granted unless in the opinion of the Committee the applicant's College is already giving him or her as much assistance as may reasonably be expected.
6. Loans shall be free of interest. The recipient shall sign an undertaking to repay the loan, and in proper cases the recipient's parent or guardian shall be associated with the undertaking. The Committee shall determine, and shall have power to relax, the conditions of repayment.

LOAN FUND II

Amended by Grace 3 of 12 November 2008

- Purpose. **1.** In order to help University officers and University assistants who have, or have had, insufficient capital to buy, build, or extend houses, loans shall be offered from Loan Fund II, at a variable rate of interest equal to the standard rate charged by the Cambridge Building Society.
- Conditions. **2.** Subject to an upper limit of £100,000 in each case, loans may be offered of an amount up to the full value of the house as assessed by the Estate Management and Building Service reduced by the amount borrowed on first mortgage from a Bank, Building Society, or Insurance Company approved by the Finance Committee of the Council, provided that in each case the Committee are satisfied that the maximum advance on first mortgage has in fact been obtained.
3. A loan shall be secured by a second charge on the house.
- Eligibility and repayment. **4.** Conditions of eligibility for loans, for the award of loans, and for their repayment shall be determined by the Finance Committee, who shall have power to exercise discretion in exceptional circumstances.
5. The granting of loans under these regulations shall be subject to review by the Finance Committee of the Council in 1998–99 and at intervals of five years thereafter.

¹ By Grace 2 of 12 October 2005, the Archibald Douglas Ross Fund was designated a General Purpose Fund.

PENSION FUND II¹

Pension Fund II shall be used by the Council on the recommendation of the Managing Committee of the Pension Scheme for the following purposes: Purpose.

- (a) to make grants or advances to assistants in needy cases,
- (b) to meet cases of necessity relating to dependants of assistants who have died in the service of the University.

QUINQUENNIAL EQUALIZATION FUND

The surplus income of the Chest shall be transferred at the end of the financial year to the Quinquennial Equalization Fund which shall be used to make good any deficiency of income in a year in which the authorized expenditure of the Chest exceeds the income. Purpose.

RESEARCH MAINTENANCE GRANTS FUND²

1. Applications for grants from the Research Maintenance Grants Fund may be made by Tutors of Colleges on behalf of students who fulfil the following conditions: Conditions.

- (a) they must have proceeded, or have qualified or be about to qualify to proceed, to a Bachelor's Degree³ after having completed not less than nine terms of residence (including any allowed), and they must make application not later than the end of the academical year next but one following that in which they qualified to proceed to that degree;
- (b) they must be or be about to become registered Graduate Students admitted by the Board of Graduate Studies to follow a course of research as candidates, or with a view to becoming candidates, for the Ph.D. Degree.⁴

2. The annual value of any grant shall be fixed by the Board of Graduate Studies after consideration of the value of other awards which the applicant may have received. Alterations of the value of these awards and particulars of new awards received after the grant has been fixed must be notified to the Board by the holder and the Board may vary the amount of a grant on account of any such alterations or new awards. Value.

3. Grants shall be paid quarterly in advance to the holders, subject after the third payment to a certificate that the holder is pursuing research to the satisfaction of the Supervisor appointed by the Degree Committee concerned. Payments.

4. A grant to a Graduate Student shall be made ordinarily for a period of two years and shall be renewable for a further year, but no grant shall be tenable for more than three years in all. The holder of a grant who ceases to be a registered Graduate Student following a course of research as a candidate, or with a view to becoming a candidate, for the Ph.D. Degree shall thereby cease to be qualified to receive any further instalments of the grant. Periods covered by grants.

5. Applications for grants shall be submitted to the Secretary of the Board of Graduate Studies. The Board shall publish from time to time a notice of the dates by which such applications must be received. Applications.

6. The names of students to whom the Board of Graduate Studies have awarded Research Maintenance Grants shall be published in the *Reporter*, but no statement of the amount of the grant made to any individual recipient shall be published. Names to be published.

¹ For Pension Fund I, see the regulations for FSSU, which were last published in *Ordinances*, 1979, p. 109.

² Research Maintenance Grants are currently suspended. Students should apply to their Faculty or Department for nomination for Domestic Research Studentships.

³ For the purposes of this regulation the term 'Bachelor's Degree' shall be taken to mean a Bachelor's Degree of this University (see Statute K, 3(p)).

⁴ Under this regulation persons, otherwise eligible, who have applied initially for admission as Graduate Students registered for the Ph.D. Degree but who have been required by the Board of Graduate Studies and the Degree Committee concerned to register for the M.Phil. Degree in the first instance as a condition of possible subsequent registration for a research degree, or who, having so applied for admission, have been admitted by the Board of Graduate Studies as Graduate Students not at first registered for any qualification, will be eligible to apply for grants from the Research Maintenance Grants Fund.

STRATEGIC PLANNING RESERVE FUND

The Strategic Planning Reserve Fund shall consist of such sums as the University may from time to time transfer to it on the recommendation of the Council. The Fund shall be at the disposal of the Council, to be used for such strategic purposes as the Council may consider appropriate. A list of allocations from the Fund shall be published annually in the *Reporter*.

STUDENT HOUSING FUND

- Purpose. **1.** The Student Housing Fund shall be used to make grants to Colleges or to the University for the provision of accommodation for members of the University *in statu pupillari*.
- Committee of Management. **2.** The Fund shall be under the control of a Committee of Management consisting of
 (a) the Vice-Chancellor (or a duly appointed deputy) who shall be Chairman;
 (b) two persons appointed by the Council;
 (c) one person appointed by the Council on the nomination of the Buildings Committee;
 (d) three persons appointed by the Colleges Committee.
- Members in classes (b)–(d) shall be appointed in the Michaelmas Term to serve for six years from 1 January following their appointment.
- Secretary. **3.** The Secretary of the Committee shall be the Registry or a University officer designated for the purpose by the Council.
- 4.** The Committee of Management shall meet at least once in each financial year to consider representations from Colleges or from the Council. The Committee shall have discretion to make grants to Colleges or to the University from time to time according to their needs and the resources of the Fund. Grants may be either single or recurrent for such period of years as the Committee may determine. All grants shall be reported by the Committee to the Council, who shall publish them to the University.

TRAVELLING EXPENSES FUND

- Source of income. **1.** There shall be a Travelling Expenses Fund to which shall be credited as income such sums as may be allocated from the University Education Fund by the General Board.
- Purpose. **2.** The income of the Fund shall be used, at the discretion of the General Board, for making grants towards the cost of travelling and other expenses incurred by University officers in attending learned conferences or in travel for study or research connected with their University duties; provided that holders of offices for which no stipend is paid or which have been established for so long as the whole cost is provided from specified funds shall not be eligible to receive grants.
- Applications. **3.** Applications for grants from the Fund shall be submitted before the proposed expenditure is incurred, with an estimate of the amount and any other information which the General Board may require, to the Secretary of the General Board through the Head of the Department or, in Faculties not organized in Departments, through the Chairman of the Faculty Board, or in institutions not under the supervision of the General Board, through the Head of the institution concerned, who shall state whether he or she recommends the approval of a grant.
- 4.** The General Board shall consider applications for grants from the Fund at least once in each term, and they shall be empowered to pay grants in advance on condition that the recipient subsequently certifies that he or she has actually incurred the expenditure on which the application was based and that no contributions towards that expenditure have been received which were not declared in the application.
- Unexpended income. **5.** Any part of the income of the Fund not expended in any year shall be allowed to accumulate and shall be available for use under Regulation 2 in subsequent years.

UNIVERSITY EDUCATION FUND

- Allocation to, and grants from, Fund. **1.** In each year an allocation from the Chest to the General Board for the University Education Fund shall be approved by Grace. The General Board shall be empowered to approve grants for recurrent and for non-recurrent expenditure from the University Education Fund to the funds of Faculties, Departments, and other institutions under the supervision of the General Board, and to the Travelling Expenses Fund.

2. The Finance Committee of the Council in consultation with the General Board shall be empowered to adjust the allocation to the Fund from the Chest in any year on account of differences between actual and estimated expenditure of the institutions under the supervision of the General Board on pensionable stipends, wages, pensions, national insurance contributions, family allowances, and other personal emoluments, except where the savings have arisen from deciding to suppress or not to fill any office or post with a view to applying the savings to new developments of a recurrent nature or for other General Board purposes. Any balance in the Fund at the end of the financial year after such adjustment, if any, has been made shall remain in the Fund.
3. When a deficit has arisen in the accounts of one or more institutions under the supervision of the General Board the General Board may make non-recurrent grants from the Fund to meet the whole or part of the deficit.

Adjustments of
allocation.

Balance.

Grants for
deficits.