

Discretionary Sub-project Policy

General

1. Discretionary accounts shall be funded by all sources of income except:
 - OfS or other government departments
 - students fees
 - research grants, contracts, consultancy agreements or other such agreements
 - surpluses generated at the completion of research and other grants
 - endowment or other trust funds
 - any internal funding e.g. Principal's Investment Fund
2. It should be remembered at all times that any discretionary funds are subject to SGUL Financial Regulations and Policies and are deemed to be the property of SGUL.
3. All spend should be exclusively for the benefit of SGUL.
4. Income and expenditure into and from discretionary accounts should be included as part of the budgeting process.

Income

5. Income should be invoiced via Finance or paid for by credit card through an SGUL online store. This will ensure that the correct VAT treatment is applied to the income.
6. Invoices should be in the name of SGUL and the income recognised in the income and expenditure account of the Institute in which the member of staff resides.
7. Due to the potential tax implications, income will not be held on the SGUL balance sheet on behalf of individuals. If individuals wish to take the income personally, they should either invoice the customer themselves or work with the Enterprise office.
8. Monies can be donated by individuals to SGUL which should be done through the Alumni and Development Office. Such donations must be made direct by the individuals and not from a third party on their behalf. Any tax obligations relating to the income prior to the individual making a donation, or claim of tax relief afterwards, remain the responsibility of the individual. SGUL do not take any responsibility for any tax obligations relating to the donation.

Expenditure

9. All direct and indirect costs (including VAT where this is charged) should be posted to the project to which the income is being allocated. Where staff are working directly on delivering income, their costs should be recharged to the correct project and, where appropriate, recharges could include an overhead for administrative costs or for staff who are funded from other sources. This should be discussed with the relevant Finance contact and the Head of Operations.
10. All discretionary activity should aim to deliver a surplus, under no circumstances should it be undertaken at a loss. If during the activity, the financial position changes, the relevant Finance contact should be notified. Costs should not be charged to other projects in order to make an activity profitable.
11. All expenditure should be processed via Accounts Payable or an expenses claim and should be approved in line with SGUL authorisation limits. No individual should authorise their own expenditure, this should be independently reviewed and approved.

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12. Any expenditure which would be allowed under SGUL's normal regulations and policies can be charged to a discretionary account. It should be used to benefit SGUL and not individuals personally. This includes
 - Consumables
 - Conference costs
 - Journal submission fees
 - Specialist equipment purchases
 - Replacement of large pieces of equipment
 - Contribution to estates projects and refurbishments
 - Non-sponsored research activity
 - Stipends, studentships and other student support
13. Staff costs, such as bridging between grants, may be permitted against this income under the following circumstances
 - Approval via RRC
 - Fixed term contract for a limited period of time
 - An indirect overhead will be charged to support the Institute and cover costs such as IT, estates and professional services
14. The following are not allowable
 - Salary costs for individuals who have generated or donated the income
 - Personal expenditure not related to SGUL activity
 - Expenditure which is not in line with SGUL's Financial Regulations and Policies
15. Expenditure, particularly equipment purchases, should be included as part of the annual budget process.

Account Administration

16. All new proposals for discretionary sub-projects will be subject to approval by the Institute Director and the Director of Finance, following application by the academic, to ensure that the arrangements are understood and accepted.
17. Discretionary accounts must not become overdrawn ie total expenditure exceeds the income in the account. In the event that this does take place the account will be frozen and the staff member is required to return it to surplus immediately.
18. Accounts that are dormant for three years after receipt of the income will, after consultation with the staff, may be closed and the funds transferred to their Institute.
19. Each account will have a designated budget holder, who will be the academic concerned. Such individuals will have no right to the income of the account, they are merely allocated the account for reference purposes. All expenditure from the account will follow the SGUL approval process and be independently reviewed.
20. Where work is undertaken by a number of individuals, the account will be set up at Institute level and the budget holder will be the Institute Director.

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Surpluses

21. It is generally recognised that surpluses generated by discretionary activity are for the use of the Institute which carried out the activity and can be used to fund activity for which core or research monies are not available.
22. Surpluses will be rolled forward at the end of each financial year. Each account will be mapped to an alternative account which may be allocated as either an Institute or personal discretionary account, depending on the nature of the activity which generated the surplus. This will be allocated by Finance in discussion with the Head of Operations. More than one in-year account may be mapped to a carried forward account.
23. In the event of an academic leaving SGUL, any funds remain the property of SGUL and the individual will not be entitled to withdraw them.
24. Where a member of staff retires and is granted an Emeritus role, they may retain access to the funds in the same way they did before retirement.

Personal income

25. SGUL accept that academics may undertake work outside of their employment in line with the relevant SGUL policy.
26. Any income personally received for such activities will be the work of the academic and will not be held out as SGUL income.
27. Any tax and national insurance chargeable on the personal income will be the responsibility of the academic and not SGUL.