

## 1. OVERVIEW AND PURPOSE

- 1.1 This Guidance supports the Financial Regulations. It sets out the approach of the University in meeting the requirement of the Regulations with regards to virements and describes the means by which the principles of the Regulations should be applied in the day to day operations of the University.

## 2. SCOPE

- 2.1 This Guidance applies to all virements

## 3. RESPONSIBILITIES

- 3.1 In accordance with Financial Regulation 3.3 Heads of School and Directors of Professional Services are responsible for the financial management of the areas or activities they control and the proper and effective use of University funds in accordance with their approved budget. There are occasions where in order to optimise the use of resources and to ensure effective financial management, it is necessary to action virements/ budget transfers during the financial year. Heads of Schools and Directors are responsible for agreeing virements but must not take decisions or transfer resources contrary to current University Guidance as represented by the approved budget.

## 4. GUIDANCE

- 4.1 The term 'virement' means to transfer a budget from one expenditure code to another order to reflect a change in expenditure or income plans since the budget was approved. It is useful for budgetary control and financial monitoring. It is important to have stringent controls and authorisations over virements as it is effectively giving 'permission to spend' to the Budget Holder within their authorisation limits. It is essential to identify virements as temporary or permanent in order to maintain the wider understanding of budgetary requirements and to help with the longer term planning and IPBP process. It is not intended to hide overspends and should not be used to create an inevitable income budget. The de-minimus for a virement is £1,000, unless required for operational or technical purposes. Overspends below this sum should be offset by underspends elsewhere.

- 4.2 There are 2 types of virements:

- x within Schools/Departments these are typically to realign budgets to reflect updated spending plans or to fund one off expenditure
- x between Schools/Departments or Central these are typically in year allocations such as HEIF funding and additional grants or to reflect a change in responsibility

The University currently restricts virements between Schools and Departments unless specifically agreed in order to maintain the approved budget envelope.

- 4.3 Virements should only be actioned when available funding is identified and should not result in an overspend elsewhere. Please see Appendix 1 for the procedure guidance.



| Document Control |                     |             |               |             |  |
|------------------|---------------------|-------------|---------------|-------------|--|
| Document No      |                     | Version     |               | Date Issued |  |
| Author           | Michelle Herrington | Reviewed by | Allan Spencer |             |  |