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I GENERAL REGULATIONS REGARDING FINANCIAL MANAGEMENT

1.1 Application

These Rules of Procedure for Finances shall be complied with in all University of Oulu financial activities, and they pertain to all personnel working at the University.

The issues covered by these Rules of Procedure for Finances are: organisation of financial management, operational and financial planning, management of investment assets, management of liquidity and solvency, money and payment transactions, billing, handling of payments, accounting, procuring and managing assets, and internal control and audit.

The Rules of Procedure for Finances should be observed for the appropriate areas in the management of University of Oulu Funds. Financial Services is responsible for the payment transactions and accounting of the funds managed by the University. It is also possible to outsource the payments and accounting of University of Oulu Funds to an external service provider.

The Board of Directors decides on investment policies regarding the University’s investment assets. An Investment Committee operates under the Board as a counselling body. The chief financial officer is responsible for implementation of investment policy as approved by the Board, as well as for managing investment operations.

The chief financial officer gives supplementary instructions where necessary.

1.2 Operating principles

The University’s activities must be organised and its tasks managed in a manner that ensures:

1. the operational, financial and strategic objectives set by the Board are met,
2. the University’s finances are balanced,
3. responsibility for the operational and financial performance of each profit centre and monitoring of the performance are clear,
4. sufficient internal control and risk management on all levels of the organisation and in all units,
5. the University abides by good management and administration practices,
6. payment transactions, funding operations and investment operations are managed safely and economically,
7. procuring loans is justified from an operational and economic point of view,
8. in terms of balance management, taking into consideration that there should be as little working capital as possible invested in the operations.

1.3 Other regulations and guidelines

In all university operations the University Rules of Procedure, together with the other rules of procedure, and the instructions issued by top-management shall be observed. In their financial management, the different operational bodies and the University management must abide by the regulations in these Rules of Procedure for Finances, in addition to what has been regulated in the Universities Act and the Accounting Act and other legislation or Rules of Procedure.
1.4 Unit and profit centre referred to in the Rules of Procedure for Finances

Profit centres include the departments and faculties; the separate departments not belonging to the departments and faculties, including the various research units, key areas of focus, research infrastructures, regional units and separate institutions; the areas of responsibility in Central University Administration; the joint profit centres of the university; and the self-financed funds. Profit centres are responsible for their own finances and performance as well as for meeting agreed goals.

1.5 Internal control

In accordance with section 14 of the Universities Act, the Board is accountable for the management and use of university assets and for the arrangement of the supervision of accounting and asset management.

In accordance with section 17 of the Universities Act, the rector is responsible for the economical, efficient and effective discharge of the university mission, and for ensuring that accounting complies with the laws and that financial management is arranged in a reliable manner.

As an integral part of the university’s management system, internal control is a tool for steering operations designed to ensure that goals are reached in an effective and economically sound manner, to prevent loss of resources, to ensure compliance with laws and regulations, and to encourage observance of appropriate practices.

The rector is responsible for organising the internal control function. The chief financial officer, the head of administration and the heads of profit centres are each responsible for the implementation of internal control.

Internal control ensures, for example, that:

1. The positions of authority and the associated powers and responsibilities have been defined in the Rules of Procedure, the Rules of Procedure for Finances, and other internal rules and guidelines adopted by the university.

2. Good administrative practices are observed in terms of authorisation and separation of duties among different members of the personnel, and ensuring that combinations of tasks that contain risks are avoided. Delegation of authority must be done in writing.

3. The activities are based on the University Strategy, and approved activities and financial plans as well as good practices, and their implementation is monitored.

4. Those responsible for the implementation of activities must ensure sufficient professional competence of the personnel and management in a manner that ensures that the operational goals are attained.

5. The operation of each profit centre shall include continuous financial monitoring in relation to the approved action and financial plan.

6. The key processes, as well as the tasks and responsibilities they include, must be documented. Documents must be clear and accessible, in order to ensure the appropriate management of important tasks even in changing circumstances.
7. Instances requiring registration must be recorded immediately, and documents clarifying the course of events must be stored in accordance with existing guidelines.

Internal control is a constant process that involves risk assessment. It is aimed at functions where the risks affecting University operations and finances are the greatest. In internal control risk assessment, risk analysis data from internal audits and auditing is utilised. The risk management policy is issued and kept up to date as a separate document, independent of these Rules of Procedure for Finances.

Based on the information produced by internal control, relevant necessary measures must be taken immediately. When ambiguities or misuse are revealed, the person making the observation must report the issue directly to the supervisor of the unit or the director of administration.

The University Board of Directors and the rector as well as the vice rectors have a significant responsibility for monitoring whether the University units have adhered to the set goals. Monitoring and control should ensure that possible risk factors are perceived and appropriate measures taken in time. In monitoring, anticipation of future influences should also be taken into consideration. Monitoring must be focused on monitoring significant wholes from a financial and operational point of view, as well as risky operations.

1.6 Internal audit

The internal audit serves to support the University Board, rector and top-level management, University risk management and evaluation of internal control, as well as development of control mechanisms.

The internal audit evaluates the efficiency and economic of the University’s operational processes, the management and securing of assets, the reliability of financial and other reporting and compliance with legislation and regulations. The aim of internal auditing is also to identify possible misuse and to help its prevention.

The Board approves annually the plan for the internal audit. The Board may also decide on other necessary inspection and consultation tasks. The internal auditor reports to the Board annually regarding the results of the audit.

The internal audit is conducted under the Board, rector and senior University management. The internal audit evaluates the functionality of the internal control measures and issues recommendations for developing controls, and performs auditing and consultation tasks assigned to it in accordance with the auditing plan approved by the Board of Directors.
2 ORGANISATION OF FINANCIAL ADMINISTRATION

2.1 Tasks of financial administration

The chief financial officer is the head of the University Financial Services. Financial Services is responsible for managing financial obligations and supervising benefits resulting from University operations, in accordance with the goals of the University. Financial Services and the internal controller organisation are responsible for ensuring that the management of the university and profit centres have the necessary financial and other information required for planning and steering university operations at their disposal.

The tasks of the University financial administration shall be managed in a profitable, economic and low-risk manner so that the operational and financial goals set by the University Board of Directors shall be met.

In these rules, financial administration refers to the whole operation consisting of payment transactions, investment activity, in-house and external accounting, financial and operational planning, acquisition and management of assets, internal control and other financial management procedures.

The University can outsource tasks related to financial and human resources administration to an external service provider. The division of responsibilities between the University and the service provider are agreed upon with a service contract. The decision on using an external service provider is made by the chief financial officer.

2.2 Projects implemented with complementary funding

In the event that the person responsible in a research or other project is in an employment relationship with the University, or the research or project is implemented on the University premises and/or resources, a written agreement must always be made regarding the project in the name of the University. When managing personal grants in the University bookkeeping system, no written agreement is needed, an acknowledgement of such is sufficient.

The Finnish Cultural Foundation has concluded a framework agreement with all Finnish universities on improving the position of grantees. Among other matters, the framework agreement guarantees the following to researchers in receipt of grants: the appropriate work and laboratory facilities, and telecommunications, postal, printing and library and information services to the level customarily available to doctoral students and researchers. The grantee must commit to paying university compensation to the University. University compensation is included in grants awarded by the Finnish Cultural Foundation for work of at least 4 months in duration and totals EUR 1,600 per year. The grantee must pay such compensation personally upon entering into a personal contract with the University. The University will submit an annual report to the Finnish Cultural Foundation on its grant agreements. Centralised Financial Services are responsible for such reporting, in cooperation with the controllers of the faculties in question.

Financial Services and Research Support Services provide supplemental instructions, training and personal guidance on preparing and managing research contracts. The financial transactions for the research and other contracts made in the name of the University must be directed through the University bookkeeping system. Financial Services are responsible for opening project numbers in the accounting system based on the project contract, grant decision or an electronic project opening form signed by the director of the profit centre and the researcher responsible.
2.3 User rights for the financial and personnel administration reporting and monitoring systems

Financial Services and Human Resources grant user rights for the financial and personnel administration reporting and monitoring systems based on an application. A substitute for the user must always be named in the application. This concerns tasks for personnel responsible for approval, inspection of content and invoicing.

However, user rights are granted based on a separate notice, including the information regarding the substitute:

- to the dean and the director of administration regarding all units and projects under faculties
- to the head of a research unit regarding all sub-units and projects under the unit
- to the head of a unit of key area of focus, separate institution or regional unit not belonging to a department or faculty regarding all sub-units and projects under their direction.
- to the head of an area of responsibility in Central University Administration regarding all sub-units and projects under the area of responsibility.

The rector, vice rector, director of administration, chief financial officer and human resources director have user rights for the financial and personnel administration reporting and monitoring systems of all units.
3 PLANNING AND MONITORING OPERATIONS AND FINANCES

3.1 Scope of resource planning and the associated responsibilities

In accordance with section 14 of the Universities Act, the Board determines the foremost objectives of the university’s operations and economy, and the strategy and management principles. In addition, the Board decides on the action and economic plan and the budget of the university.

In accordance with section 17 of the Universities Act, the rector is responsible for the economical, efficient and effective discharge of the university mission and for the implementation of the board decisions.

The university’s resource planning is based on guidance from the Ministry of Education and Culture (hereinafter MinEdu) and on the strategy adopted by the Board. MinEdu guides the university operations for each agreement period and by drawing up written feedback. The university’s operational and financial resource planning encompasses a long-term strategy prepared during each planning period, as well as related programmes of measures, annually prepared action and financial plans, and the budget for the following year, as well as their monitoring systems.

3.2 Strategic planning

The University prepares the University of Oulu Strategy for the strategy period determined by the University Board of Directors. The Strategy can also be revised in the middle of the planning period.

The University Board of Directors directs the preparations for the strategy planning and evaluates its implementation. The Board of Directors shall approve the University of Oulu Strategy.

3.3 Action and financial plan

The basis for operational and financial planning is the University Strategy approved by the Board, the joint goals set for the university in the agreement between the university and MinEdu, the university-specific goals, and the level of government funding. The principles for government funding are issued and kept up to date as a separate document, independent of these Rules of Procedure for Finances.

The chief financial officer prepares guidelines containing profit centre-specific financial frameworks and the points of emphasis for operations and activities, which will be sent to the profit centres in September. The University Board of Directors processes the University action and financial framework in a Board meeting organised in October.

Profit centres prepare annually a proposal for the centre’s action and financial plan, which includes the centre’s strategic framework, targets and measures for implementing them, as well as the human resources plan, budget and investment plan. The faculties and the units of research infrastructures must prepare a development plan for the infrastructures, including a financing plan for the infrastructure development in question. The development plan must be included in the investment budget as an annex.

The University Board of Directors processes and approves the action and financial plan, as well as the budget.
The University Board of Directors approves essential changes regarding the budget during the accounting period.

The rector approves the changes in the University's action and financial plan as well as the budget, the allocation of resources between units and the University's investment plan, in the event that this does not require significant changes to the entire budget of the University. Significant changes are those that have an impact of more than three percent on the total amount of income or expenses.

During the calendar year, the director of the profit centre may approve changes in the income and expense plan or investment plan, in the event that it does not cause changes in the overall result of the action or financial plan, which have been approved for the profit centre, or in the maximum amount of the investment plan.

Budgeted and unbudgeted investments made during a financial period that exceed the threshold value under the Act on Public Procurements must be submitted to the chief financial officer for approval. The provision referred to above applies in equal measure to major procurements and investments financed through high-value strategic research funding.

### 3.4 Internal target and performance negotiations of the University

In internal target and performance negotiations, the rector and the vice rectors agrees upon the targets for operations during the following years with the profit centres, as well as the amount of basic government funding and the budgeted performance level for the following year. The results of the negotiations shall be included in the action and financial plan and budget.

### 3.5 Monitoring operations and finances

The profit centres report on the achievement of the agreed targets in connection with the interim financial statement and the annual financial statement. The interim financial statement shall be prepared at the end of April and August. The chief financial officer provides more specific guidelines for reporting.

The profit centres are responsible for their finances and performance as well as for meeting the agreed targets and keeping expenses within the budget framework confirmed by the Board.

The chief financial officer is responsible for general monitoring and ensuring that the University finances are in balance and University liquidity is secured.

The financial year of the University is equivalent to the calendar year. The Board of Directors issues a financial statement before the 31st of March of the following year and submits it to the auditors for inspection. The auditors deliver an auditor's report by the end of April. The University Collegium approves the financial statement and decides on granting discharge from liability to the members of the Board and the rector by the end of June following the closure of the accounting period. The chief financial officer is responsible for ensuring that the annual report and financial statement are completed within the legislated schedule.

The Board of Directors must prepare, in connection with delivering the financial statement, a presentation on processing the performance of the financial year, as well as of the measures to be taken for balancing the finances in the event that the result of the financial year is negative and the balance does not have excess from the previous financial years to cover it. The Board must make a plan for what measures shall be taken to amend the financial situation.

The confirmed financial statements with annexed information, as well as the action report of the University, are public documents.
4 MANAGEMENT OF FINANCES AND PAYMENTS

4.1 Liquidity

Liquidity is anticipated through continuous liquidity planning. The chief financial officer is responsible for the management of the university's liquidity and solvency.

The rector approves the long-term liabilities and short-term credit limits or loan programmes up to EUR 1 million needed for flexible liquidity management at the proposal of the chief financial officer. The Board of Directors approves long-term liabilities if they exceed EUR 1 million.

4.2 Cash management and investment operations

Cash funds shall be invested in profit-making monetary and capital market securities, bank deposits and other interest-bearing investments, diversifying the risks created by the investment operations. In terms of more long-term cash funds, investments can also be made in the stock market, however, this is to be done in such a manner that liquidity is not compromised under any circumstances. Investing long-term cash funds is implemented via internationally diversified bond and equity funds.

The neutral allocation of long-term cash funds is 30% in internationally diversified equity funds (ranging from +/- 10% units) and 70% in internationally diversified bond funds (ranging from +/- 10% units).

The University’s investment assets are divided into three main classes—government-funded assets, assets acquired through fundraising, and separate funds.

The University Board of Directors shall approve the investment policies regarding the University investment assets. The Board shall confirm the investment policy as a document separate from the Rules of Procedure for Finances. The investment policy shall always be updated if the Board or the rector so desires. An investment committee, with an advisory role, operates under the supervision of the Board. The chief financial officer is responsible for implementing the investment policy approved by the University Board, as well as for managing the investment operations.

The investment policy for the University of Oulu Funds can be decided according to the University of Oulu Funds own regulations that have been confirmed by the University Board.

The aim of the investment operations is to secure a good total return for University assets in the long term. It is not possible to fund investments with loans.

Investment operations are managed with direct investments or in cooperation with treasurers. Asset management agreements can be so-called consultative agreements or so-called discretionary agreements. The chief financial officer ensures that external treasurers’ reporting complies with the requirements set by the University's Board of Directors.

4.3 Funds

Operations and assets of self-financed funds are separated in accordance with the rules of the funds. Should the rules of the funds allow, the funds’ liquid assets may be invested together with the University assets, in compliance with the University investment policy.
4.4 Bank accounts and their management

The chief financial officer makes the decisions to open and close accounts in the University’s name in monetary and financial institutions. Financial Services must keep a record of the accounts and their users.

Payment traffic is routed in a centralised manner through bank accounts held by the university.

The chief financial officer determines the users of the bank accounts so that the user rights are given to two persons together. In the event that the payment transactions have been outsourced to an external service provider, the chief financial officer may grant use of the bank accounts to external service providers.

Financial Services keeps a record of payment transaction accounts and the parties delivering payment material.

4.5 Direct debits and other agreements

The chief financial officer may sign direct debit and other contracts with the banks that deal with University payment transactions.

Financial Services shall ensure that the direct debit payments match with the bank account charges.

4.6 Cashier services

The cashiers receive payments and perform small, urgent payments that cannot be performed through the bank. The University’s main cashier is located in the Student Center. The chief financial officer makes the decision on establishing cashiers’ desks or sub-cashiers’ desks, and they also issue provisions for the maximum amounts to be held in the cashiers’ desks. Financial Services keeps a list of the cashiers’ desks. Expenses are mainly paid only from the main cashier’s desk.

All income in the cashiers’ desks must be registered in the cashbook in chronological order without delay each day. The money must be deposited onto an account at the latest by the end of the month so that the receipts can be documented in the accounting for the month in question. It is not possible to pay expenses from subcashiers’ desks.

4.7 Charge cards and customer cards

The university may have at its disposal charge cards for the payment of expenses. Charge cards for which the university is liable may not be used for paying expenses arising from work-related travel. The University of Oulu personnel have the possibility to apply for a Business Eurocard with personal payment responsibility. The annual payment for the personal charge card is EUR 0. The personal, international charge cards guaranteed by the University are so-called home billing charge cards, for which the credit card company sends a bill to the card holder’s home address, and the card holder pays the credit card fee themselves. The term of payment for the bill is 21 days, in accordance with the government framework contract, and the billing period is one calendar month.

The chief financial officer grants the user right for the debit or charge card, based on the proposal of the director of the unit. In connection with this, the security limits and other possible terms regarding the use of the card shall be clearly defined. The heads of profit centres are responsible for the use of the payment cards issued to personnel for which the university is liable. The card holder shall sign an agreement regarding the use of the charge card, where they commit to the terms of the card issuer and the University. In addition, the card holder shall
agree that unclear payments or payments that do not belong to University operations shall be deducted from the card holder’s salary with interest for late payment.

Possible customer benefits associated with the charge and customer cards shall be used for the University.

Financial Services keeps a list of any charge card agreements made by the University and, when necessary, provides internal instructions regarding the use of the cards.

### 4.8 Online shop

Financial Services manages the online shop IDs, and also provides detailed guidelines regarding the online shop. All agreements regarding the use of online shops shall be approved by the chief financial officer or a person assigned by them.
5 HANDLING EXPENSES

5.1 Persons making decisions regarding expenses and their tasks

Procurements shall be made by the university in compliance with the Act of Public Procurements and other laws and regulations in force at any given time. Procurements include purchase and rental of products and services. The persons approving expenses are the directors of profit centres or the persons they have appointed in writing. The delegation decision must be made in writing and delivered to the University of Oulu Registry Office.

The University of Oulu authorisation limits in EUR shall be maintained as a document separate from the Rules of Procedure for Finances. The University’s Board of Directors approves the authorisation limits in EUR valid each year.

The procedures related to procurements have been described in detail in the University of Oulu Procurement Guidelines. Financial Services is responsible for updating the Procurement Guidelines.

Decisions regarding expenses and contracts binding to expenses must be made using terms of payment that are as favourable as possible to the University. Before placing an order or otherwise binding payment of expenditure, the director of the profit centre must make sure that the expenses are legal and appropriate, and that the authorisation and budgeting are sufficient. Unbudgeted investments made during a financial period shall be approved by the chief financial officer.

The invoice must include, as reference, the unit (cost centre), possible project or order number and the name of the person placing the order. Invoices without reference data shall be returned to the sender.

Financial Services decides on granting user IDs for approval and content inspection rights, as well as on amending the rights to the IDs. Financial Services is responsible for user management and reporting, unless this task has been given to an external service provider with a service contract regarding University financial services and information system services.

5.2 Inspecting expenses

A content inspection must be made before the expenses are approved. When inspecting an expense invoice, it is important to check that the received product or service corresponds with the placed order or other agreement, that the invoice corresponds with the delivery, that the price and reductions are correct, and that the purchase document is appropriate in form and addressed to the University of Oulu. It is sufficient for one person to inspect telephone bills and other corresponding incoming invoices.

In the service points for content inspectors and invoice handlers, the following must also be checked:

- the invoice must state the reason for the expenditure
- the invoice meets the requirements of the Value Added Tax Act when applied to operations with value added tax
- the supplier is in the prepayment register
- the invoice is targeted for the right project, internal subscription number or cost centre
- the bank account of the recipient corresponds with the information in the supplier register
- the invoice has the date, invoice number, due date, gross amount, name of seller and VAT identification number, date of delivery/service or date of prepayment
- possible delivery notes/delivery list with reception markings is attached, or that the delivery of the product or service can otherwise be confirmed - in terms of travel claims, the work trip has been conducted in accordance with the Travel Guidelines and travel regulations
- the receipts for travel expenses are attached to the travel claim and match with it
- the original receipts for credit card bills are attached to the credit card bill and match with the bill.

Content inspections and approvals of bills are performed using the electronic system for circulating purchasing invoices (SAP-Martti).

The delivery lists related to the delivery must be kept and delivered either to the person placing the order or to the content inspector.

5.3 Prepayment register

When contracting a job of work, the unit director, or person appointed by the director responsible for the project, must check that the supplier of the said job of work has been marked in the prepayment register.

In terms of companies, organisations and persons that are unregistered, the note “unregistered” shall be added in the comment field of the invoice and the invoice be filed to Human Resources for making the preliminary tax withholding.

5.4 Approval of expenses and hour entries

The invoice on which the expenditure is based is approved in the electronic circulation system for purchase invoices (SAP-Martti). The persons approving the expenses are directors of the profit centres and the persons appointed by them in writing. When approving expenses, the authorisation thresholds in EUR approved by the University’s Board of Directors must be observed.

The person approving the expenses is responsible for the following:
- the expenditure is correct in its form and subject matter
- the delivery tallies with the contract
- the unit has sufficient funding to cover the expenditure
- the invoice has been inspected both in content and subject matter
- the invoice has been targeted for the right project, internal subscription number or cost centre.
- a separate investment presentation must be prepared for the chief financial officer in terms of unbudgeted investments.

The content inspector and person approving the document cannot be the same person.

The invoices of the rector are approved by the Chair of the Board.

The invoices of the vice rector, the head of administration, the chief financial officer and the head of communications are approved by the rector.

The deans’ invoices are approved by the vice rector.

The chief administrator’s invoices are approved by the director of administration.
The invoices of the heads of the separate departments, regional units, infrastructure units, focus area units and innovation centres not belonging to the faculties are approved by their hierarchical superior.

The invoices of other personnel are approved by their supervisors.

The chief financial officer approves expenses to be registered in the University Shared expenses (profit centers 240910 University Shared, 240917 Startegic Funding, 240950 University of Oulu Grant Fund, 240952 Professor Pentti Kaitera Fund, 240970 Council Reserve Fund, 240980 Fundraising assets, 240981 Fundraising 2015-2017, 240982 State capitalized assets).

Expenses arising from IT administration to be registered to the cost pool of the University’s joint profit centre 240918 University IT are approved by the head of IT Administration Services.

Expenses arising from academic services to be registered to the cost pool of the University’s joint profit centre 240901 University Academic Services are approved by the head of Academic Services.

Lease contracts on premises and facilities are approved by the Board in the cases where the annual lease payment is greater than EUR 500,000 or the value of the investment is greater than EUR 3 million. All other lease contracts are approved by the rector.

The above-mentioned right of approval shall also apply to the approval of SoleTM hour entries. The approval of the chief financial officer is required for any corrections of hour entries made with respect to periods closed following interim financial statements.

The authorisation rights in EUR shall be maintained as a document separate from the Rules of Procedure for Finances.

5.5 Advance payments in connection with procurements

In exceptional cases, urgent and necessary expenses for the University can be paid in advance. The advance payment must be agreed as the final instalment, and sufficient guarantee must be claimed. An absolute guarantee granted by a monetary or insurance company, or a deposit in the name of the University, can be accepted as guarantee. The chief financial officer decides on approving other guarantees on a case-by-case basis. When comparing the tenders, the interest of the advance payment shall be taken into consideration as a factor affecting the price. A guarantee for the material delivered to the supplier must be requested, unless the low value of the material, or other reasons, makes the guarantee unnecessary.

The person making the procurement decision is responsible for any agreements regarding advance payments and for acquiring sufficient guarantees. The guarantee is approved by the chief financial officer.

All guarantees related to advance payments must be submitted to Financial Services after inspection and approval.
5.6 Procurements

5.6.1 General

The regulations concerning procurements in the Rules of Procedure for Finances apply to products, services, contracts and rental. All procurements (excluding small procurements, e.g. procurements less than EUR 10,000 in value) must be put out to tender in accordance with the University of Oulu Procurement Guidelines and the Act on Public Procurements. Also, in terms of minor procurements, should it be known that it is possible to procure an equivalent product/service from multiple suppliers and it is clear that multiple products/services are suitable for the purpose, an inquiry should be made to potential suppliers e.g. by telephone regarding the price and other important factors. A written quote must be requested from the selected service provider, on which the order and invoicing must then be based. The University of Oulu Procurement Guidelines elaborate on how to act in different situations in order to be able to efficiently implement the procurements in a manner required by the regulations.

5.6.2 Conducting procurements

The procurements must be conducted in a manner most advantageous for the University, unless special regulations require deviation from this principle.

In the event that the University has signed a framework contract for certain procurements, the procurements must be made with the companies listed in the contract.

Procurements that exceed the threshold value in the Act on Public Procurements must be put out to tender using the University of Oulu electronic tendering system. Direct procurement can only be used in cases where the prerequisites for direct procurement under the Act on Public Procurements are met and there are specific reasons to justify the decision. Such reasons, together with the justifications, must be documented in writing. The Act on Public Procurements and the University of Oulu Procurement Guidelines, maintained by Financial Services, must be observed in procurement operations.

Decisions regarding procurements are made based on presentation, if the value of the procurement exceeds the threshold value under the Act on Public Procurements. Budgeted and unbudgeted investments made during a financial period which exceed the threshold value under the Act on Public Procurements must be submitted to the chief financial officer for approval. The provision referred to above applies in equal measure to major procurements and investments financed through strategic research funding.

With procurements exceeding the threshold values, the procurement procedures must be in accordance with the Act on Public Procurements and the EU Directive. The thresholds shall be confirmed each year.

5.7 Travel

Travel plans shall be approved by the supervisor of the profit center.

A travel plan must always be prepared and approved of in terms of trips abroad, and also in terms of domestic trips when requesting an advance payment or when the supervisor so requires. Domestic travel should always be approved in advance by the supervisor in a manner determined by the supervisor. In addition, the supervisor of the unit may, according to their discretion, also demand a travel plan for domestic travel. The travel plan shall be made and approved of in the travel management system.
The travel claim must be presented to the University without delay and two months after the end of the trip at the latest. The purchase documents, based on which the traveller will claim travel-related expenses, must be attached to the travel claim. The travel claim shall be made electronically in the travel management system (SAP Travel).

The service manager can grant permission for the payment of a late travel claim based on individual application.

When checking travel claims, one must make sure that the content of the travel claim is correct both in subject matter and numerically.

The travel claims are approved by the hierarchical superior of the person submitting the claim.

In terms of travel reimbursements for others than the University’s own personnel, the Collective Agreement for Universities regarding travel and these Rules shall be observed where applicable. Separate guidelines for reimbursements for working abroad shall be provided by Human Resources.

**Travel advances**

Travel advances shall be granted through the travel plan in the travel management system, and the approved travel plans shall be paid into the relevant bank account. When needed, a maximum of 90% of the approved travel expenses that would be paid by the person themselves can be paid as an advance of the travel claim.

A travel advance that has been paid in excess must be returned immediately when the travel claim has been approved.

In terms of daily allowances, the travel advance shall not be paid for work trips that last less than 24 hours.

**5.8 Representation expenses, hospitality and expenses from personnel events**

University funds can be used for hospitality and representation purposes only to show common hospitality or consideration for those operating in the field of University operations. Representation expenses must be ordinary and reasonable. University personnel may not accept hospitality deviating from the norm or what is considered reasonable, such as air tickets to an event organised by a University supplier. Personnel can participate in such events if their costs are paid by the University, if such participation is viewed as important to the employee’s work.

Moderate catering for the University’s own personnel can be organised in training, meeting and festive events. The amount in EUR decided by the director of the unit can be annually used for recreational events.

The director of the unit must ensure that the representation expenses, hospitality expenses and funds used for personnel events remain reasonable.
5.9 Reimbursement of expenses and other reimbursements

Small purchases that the personnel have paid themselves shall be claimed from the University through the travel management system (SAP-Travel). Small invoices shall be inspected and approved, similar to other expenses in the unit.

5.10 Salaries

Human Resources is responsible for the whole of human resources administration. Services related to payroll can be contracted from external service providers in a manner determined in the service contract.

The employees focus their working hours in the SoleTM system to cost centres, projects and internal orders, in accordance with the provided guidelines and collective agreement. Supervisors and project directors are responsible for ensuring that the allocated working hours are real and the people registering the hours are in fact working for the project.

The grounds for employment and changes in these grounds, as well as other factors influencing employment, must be reported to human resources secretaries in writing.

The person approving the salary, remuneration or grant decision is responsible for ensuring that the unit’s funding is sufficient. The inspection of content and posting shall be performed at service points.

Salaries, remunerations and grants shall be paid via the bank to the monetary institution reported by the recipient. The dealer bank is the University of Oulu payment transaction bank, and the payslips are usually delivered to personnel electronically through the online salary system.

As an exception, a salary or remuneration paid as a separate payment shall be approved by the human resources director or a person appointed by them, and the payment order shall comply with what has been regulated regarding payment of expenses.

In terms of work compensation and compensation for use, the same procedures shall be observed as with salaries and remunerations.

Financial Services or an external service provider are responsible for payroll accounting.

5.10.1 Remunerations

Should the remuneration be paid in exchange for an invoice, it should state the name, personal identification number, address and taxation municipality of the invoicing party, the time and basis for payment of the work and the bank connection for the invoicing party. The invoicing party must date and sign the invoice. Should the recipient of the remuneration be in an employment relationship with the University of Oulu, the remuneration shall be paid as salary.

When inspecting and approving remuneration invoices and grants, the regulations regarding handling of expense invoices shall be observed.

5.10.2 Grants

Separate guidelines have been issued regarding grant procedures.
5.11 Occupational healthcare expenses

The human resources director is responsible for ensuring that all personnel handling healthrelated information provide a confidentiality agreement. An external service provider is responsible for ensuring that the personnel in its service are aware of this and abide with the regulations concerning confidentiality.

The human resources director appoints the persons inspecting and approving occupational healthcare invoices.

Human Resources is responsible for storing the attachments to the occupational healthcare invoices so that data protection and information security obligations are strictly observed.

There are separate guidelines issued for handling information regarding the state of health of University personnel.
6 HANDLING INCOME

6.1 General

The income must be based on regulations, orders, decisions or appropriate contracts.

When needed, Financial Services can provide more specific instructions on procedures.

6.2 Handling and control of income and claims

6.2.1 Invoicing income

The generated claims must be invoiced immediately or based on a signed contract, commitment or decision. Claims applications are saved as purchase orders and will be registered to accounts receivable once payment has been received. In terms of complementary funding, scheduled payments/sales orders shall be determined for the projects in order to be able to include the revenue projection in the University income forecast. An invoice is not needed in the event of a cash payment, or if repeated incomes that have been agreed upon or regulated to be paid without claims is collected at regular intervals, or if the payment is based on a specific agreement or decision that shows the payment duty and information needed for the payment. A memo voucher shall be made for cash payments. The term of payment in the invoices shall abide with the signed contract or, if the term of payment has not been specifically agreed upon, it shall be 14 days.

The information content requirements must comply with what has been regulated in the Accounting Act and the Value Added Tax Act.

Invoicing shall mainly be done in EUR, but other currencies can also be used for invoicing.

An accounts receivable ledger must be kept in terms of the claims. Financial Services is responsible for the accounts receivable ledger. The accounts receivable ledger must be matched with the accounting each month.

The unit that has performed the work or provided the commodity or generated some other basis for invoicing shall be responsible for the invoicing. Invoicing shall be done at a service point for Financial Services. The service point also confirms the appropriate content and numerical accuracy of the invoice.

Invoicing shall be conducted in accordance with the instructions provided by Financial Services, and with the information systems approved by Financial Services.

Intra-community supply

The unit responsible for invoicing must make sure that the VAT number of the client is correct. Financial Services is responsible for preparing the periodic tax return. The same periodic tax return is used to declare both the value added tax and the information for employer payments to tax authorities (salaries subject to withholding tax, preliminary tax withholding, salaries subject to tax at source etc. payments, tax at source for the previous, salaries subject to social security payments).
6.2.2 Collecting overdue receivables

Collecting of receivables and its supervision must be organised so that all receivables will be collected in time and in an appropriate manner.

Should the receivable not be paid by the due date, a single late payment notification shall be sent. If the receivable with interest for late payment has not been paid by the due date, measures to start collection procedures must immediately be taken.

The chief financial officer makes the decision to begin or interrupt the collection procedures. If the collection of receivables has been contracted to an external service provider for financial services and a collection agency, the service provider together with the collection agency shall be responsible for the collection procedures. Otherwise, Financial Services shall be responsible for the collection procedures.

Human Resources is primarily responsible for collecting salary receivables. Possible further collection shall be conducted by Financial Services together with a collection agency.

6.2.3 Credit note

In the event that the invoice is unfounded or incorrect, the unit responsible for invoicing shall be responsible for preparing a credit note, and a new invoice issued if needed. The credit note must state the basis for the note and which invoice it concerns.

6.2.4 Registering receivables as credit loss

The chief financial officer makes the decision for registering credit losses. Financial Services notifies units of the registered credit losses. The credit loss for sales shall be deducted in the other business expenses item; please note that it is not possible to present it as a sales adjustment item. Credit loss affects value added tax at the same time as it should be deducted, in accordance with generally accepted accounting principles. The received payment shall be recorded as an adjustment to the other business expenses item.

Removable receivables, the value of which must be recorded and can be collected, must be listed and efforts must be made to collect the receivable until it expires.

6.3 Complementary funding

The director of the profit centre or unit shall decide on accepting the project. The controller of the unit ensures that the budget or financial plan for the project is appropriate and that the university’s pricing principles are observed. Whether the project is subject to value added tax, as well as the budgeting grounds, must be clarified in the planning and application phase of the project.

When applying for funding for research and other activities taking place at the University of Oulu, from a domestic and foreign financier, such as a government authority, municipality, public or private community or foundation, the application or other document must contain the approval of the director of the University unit in question. The person approving the document is responsible for ensuring sufficient resources are in place for completion of the work indicated in the application. The contracts are to be signed in compliance with the University’s Authorisation Guidelines (Rector’s Decision: Authority in University Commitments), which is issued and maintained as a separate document, independent of these Rules of Procedure for Finances.

The director responsible for the project is responsible for ensuring that the appropriate contracts regarding the project have been made and that the appropriate funding decisions have been received. The director responsible for the project is also responsible for monitoring
and reporting the use of funds, as well as for the profitability of the project. The director responsible for the project must report to the head of the research unit regarding the financial status of the project. The director responsible for the project is responsible for preparing a budget and cost/profit plan based on the contract or funding decision, as well as scheduled payments if needed. This information is kept in the Financial services’ service points. The service points handle invoicing and payment claims. The director responsible for the project ensures that the accumulated incomes have been invoiced/deposited and recorded correctly. The head of the research unit is tasked with supervising the use of funds and resources in the research unit’s projects.

In terms of personal grants, which have not been applied for in the University’s name but the research or other activity takes place on University premises, the grant recipient must inform the director of the unit in question about the matter.

The service point of Financial Services’ open project numbers in the accounting system. In connection with this, it should also be confirmed whether the project is subject to value added tax, as well as budgeting principles. When establishing the project within the system, a funding decision, agreement or other reliable document must be available in order to confirm the amount, period and other terms of the funding. The project can also be launched based on an electronic project opening form, in which case the project expenses can be monitored starting from the planning phase. In addition, the basic information and budget for the project must be entered into the University budgeting system (TATU). The project shall be opened for a limited time period. Extending the time period requires a written decision from the party granting the funding.

Opening and defining a project code is a requirement for using the project funding.

### 6.4 Sponsorship

A sponsorship agreement must always be made in writing between the University and the sponsoring party. The agreement must lay out the entire content of the sponsorship cooperation. Sponsorship may consist of media or image benefit, products or services. Sponsorship agreements shall be signed by the director of administration.

### 6.5 Receiving donated funds

Donations must be based on a deed of donation, will or other equivalent document.

The requirements for receiving donated funds are the following:

1) the funds must be used for purposes related to the University’s tasks;
2) donated funds, together with other available funds, are sufficient for implementing the donation;
3) the donation does not include a commission that would make the work performed with the donated funds only or mainly available for the use of the donor.

The chief financial officer decides on the receiving of donated assets.
7 ACCOUNTING AND OTHER BOOKKEEPING

7.1 General regulations

In accordance with the Universities Act, the Accounting Act (1336/1997) shall be applied to University accounting. In addition, the university must comply with the Code of Financial Administration in Universities, a guidance instrument issued by MinEdu that provides universities with more detailed guidelines on the organisation of accounting and on the preparation of financial statement documents.

In accordance with section 14 of the Universities Act, the preparation of the financial statement falls under the remit of the Board. The Board must also organise the supervision of accounting and asset management.

In accordance with section 17 of the Universities Act, the rector is responsible for ensuring that accounting complies with the laws and that financial management is arranged in a reliable manner.

The chief financial officer is responsible for the implementation of accounting and financial management and for the due completion of the financial statement documents. University accounting must be organised in such a manner that it produces the necessary operational and financial information needed for the purposes of planning, decision-making, guidance and internal control.

7.2 Monitoring profitability of business activities subject to income tax

For the purposes of the Income Tax Act, universities are corporate entities liable to pay tax on receipts of business income at the general corporate tax rate and on income derived from real estate at the reduced tax rate referred to in section 124(3) of the Act (sections 21a and 21b of the Act).

Universities are not deemed to be corporate entities promoting public good, as referred to in section 22 of the Income Tax Act.

Besides operations and activities related to its core mission, the university may engage in service production, partially for the purposes of generating revenue for financing university operations and activities. In light of income tax, such service production is assessed on the basis of the general criteria laid down for business activities. Basic research activities conducted by universities are not business activities. Basic research is characterised by public funding and openness of the research results.

The income and expenses of business activities subject to income tax must be presented separately from the operations implemented with basic government funding. The controller of the profit centre is responsible for ensuring that instructions regarding procedures for business activities subject to income tax issued by Financial Services are observed.

Centralised Financial Services prepares a profit and loss account for the University’s financial statement and prepares the annual tax return for business activities.

The chief financial officer is responsible for obtaining advance tax rulings for both business taxation and value added tax from the Savo-Karjala Tax Office or the Central Tax Board of Finland, or the opinion of an external expert.
7.3 Regulating accounts and internal registration guidelines

Centralised Financial Services decides about accounts and provides internal registration guidelines. The maintenance responsibility can be outsourced to an external service provider. The specification of accounts shall be kept as an annexe to the financial statement information.

7.4 Schedule for the financial statement and internal guidelines

Chief financial officer decides on the internal guidelines and schedule related to accounting and preparing financial statements.

In accordance with the Universities Act, the accounting period is one calendar year.

7.5 Preparing and signing financial statement documents

Chief financial officer is responsible for preparing the profit and loss account, the balance sheet, the funds statement and the annexes regarding them. Preparing the profit and loss account and the balance sheet can also be outsourced to an external service provider, in accordance with a contract made for the procurement of financial services for the University.

Centralised Financial Services is responsible for the balance sheet specifications and assigns the persons preparing the balance sheet specifications. The assigned persons shall sign the balance sheet specifications. Preparing the balance sheet specifications can also be outsourced to an external service provider, in accordance with a contract made for the procurement of financial services for the University.

7.6 Annual report

Chief financial officer makes the decision regarding the internal guidelines and schedules for the preparation of the annual report included in the financial statement, and is also responsible for preparing the annual report. The Board of Directors approves the annual report.

7.7 Financial statement for the funded assets included in the balance sheet

Centralised Financial Services prepares the financial statements for funded assets included in the balance sheet in accordance with the University’s schedule for financial statements.

The Board approves the financial statements for funded assets as part of the financial statement of an institution governed by public law.

7.8 Handling, approval and signing of the balance statement

The Board of Directors prepares the financial statement before the 31st of March of the year following the financial year and submits it for auditing. The auditors deliver an auditors’ report by the end of April. The University Collegium confirms the financial statement and decides on granting discharge from liability to the Board members and the rector by the end of June the following year.
8 SPECIAL PROVISIONS

8.1 Management of property

The purpose of the management of property is to ensure that the resources required by the University's operations in accordance with its tasks and aims are taken into use in an appropriate and economic manner. The University property management includes procurement of property, storage, repairs and maintenance, registering and accounting of fixed property, removal and control of property.

Property includes items such as machines and equipment, furniture, sundries and raw material, spare parts and intangible rights. These Rules must be observed, where applicable, in contracting services.

The management of property must be handled with consideration to the requirements of actual operations in an economic and flexible manner, avoiding unnecessary administrative chores. In addition to the economic aims, the conservation of the University's property must be ensured. When necessary, insurance shall be taken out for the property.

Provisions and guidelines regarding the management of property are provided by Chief financial officer, when needed.

The director of the profit centre is responsible for the management of property at each profit centre. The property must be kept in good condition and used in an economic and purposeful manner. The property must not be left exposed to weather, theft or other damages.

The task of Financial Services is to supervise that University property is managed, used and handed over in an appropriate and economic manner.

Collaborative activity should be encouraged in the use of research and teaching equipment, as well as workshops and laboratories, in order to ensure the most efficient possible use of the property. The maintenance of research and teaching equipment as well as furniture should be organised so that the property is constantly ready for use and the maintenance costs remain low.

Financial Services provides guidelines for the manner and time of performing inventory.

8.1.1 Fixed assets accounting

Fixed assets accounting shall be kept for any property acquired for the University, where property that has been defined as fixed assets in the value of EUR 5,000 or more shall be activated.

Fixed assets accounting contains the names, quantities, procurement prices, dates and locations of the machinery and devices. In terms of furniture, the register contains furniture types, number of the pieces of furniture, prices and location. Software and other intangible assets and their respective information (name, procurement price, time and location) shall also be saved in the register. In addition, art objects shall be saved in the register.

Estate Services are responsible for maintaining common spaces. Centralised Financial Services shall provide more detailed guidelines on the management of the fixed assets register, as and when needed.

Financial Services is responsible for the guidelines regarding registering fixed assets and the fixed assets register.
Financial Services is responsible for preparing depreciation plans and schedules. Such plans and schedules are approved by the chief financial officer.

8.1.2 Donating movable property

The property must be removed as having no use value in the event that the old property interferes with efficient operations, fixing the property is uneconomic, the property is no longer required for University operations due to changed circumstances or its degree of use has become uneconomic, or the property cannot be used for its intended purpose due to occupational security or other reasons.

The decision regarding removal of the property and use of the removed property is made by the chief financial officer or his or her nominee on presentation by the head of profit centre.

8.1.3 Inventories

The University only uses storage when storing is purposeful in terms of the operations and the economic viability can be demonstrated. The storages must not have more cash funds than the purposeful management of the function requires.

Storage accounting must be kept for storages marked for inventories. The storage accounting must match with the main accounting. The unit using the stored material or equipment is responsible for the storage.

Inventory for the storage must be performed each year.

8.2 Obtaining immaterial rights

The decision regarding the application for patents and other intellectual property rights, together with any further associated action, is made by the Vice Rector for Cooperation Affairs based on presentation, in compliance with the University's principles for innovation activity.

8.3 University vehicles

Vehicles owned, leased or rented by the University can only be used for performing University-related work tasks. A driving log must be kept for vehicles owned or leased by the University.

8.4 Other machinery and devices for personnel use

If the University's machinery and devices are given to personnel to use outside University premises, a written agreement regarding the matter must be made in advance between the supervisor and employee, and insurance issues must be taken care of.

8.5 Renting and leasing

The University can procure property through renting or using funding for leasing. The use of leasing is decided by the Chief financial officer.

8.6 Receiving donated property

Donated property obtained based on the value of the property must always be recorded in the fixed assets register and accounts with the value at the time of reception. The chief financial officer decides on the receiving of donated assets.
8.7 Decision-making regarding procurement and commissioning of information systems for the whole University

The Vice Rector for Cooperation Affairs is responsible for the intercompatibility and overall architecture of the university's information systems, and the information system investments are approved by the chief financial officer.

8.8 Measures to be taken when observing errors or abuse in financial management

8.8.1 Observer's responsibility and duty to report

When observing abuse or errors that significantly affect operations in financial management, the matter must immediately be reported to the director of administration and the chief financial officer.

8.8.2 Duty to take action

The director of administration decides on further measures based on the report and possible further clarifications.

8.9 Entry into force

These Rules of Procedure for Finances shall enter into force on the 18th of January 2016, and they shall supersede any previously confirmed Rules of Procedure for Finances.