

Supplementary Guidance on the application of the School's' Restructuring – (PRCS) budget - Redundancy, restructuring severance costs

This category of employee cost arising from staff employed in academic and service areas will normally be met from uncommitted balances such as those residing in so-called Outside fund accounts, surplus MSL points or, for trading and APB areas from current year trading activities. (Note that for accounting purposes these costs are accounted for in the year in which the redundancy is agreed)

Offers of severance payments require specific approval in advance of being discussed with employees. Further guidance on the approval process is included in the Financial Regulations (2010, C13.3).

For research staff external grant/funding applications will usually have included a contingency for potential redundancy costs for research staff to be employed upon the project. RPDD will provide Principal Investigators with advice and support on this aspect at the grant application stage. Where this category of cost does become necessary, the costs will be charged as follows:

- i. For FEC funded projects, defined as 80% FEC-funded and above, the costs will be met by the PRCS budget, using part of the FEC overheads recovered from the project budget.
- ii. Where Research posts are funded otherwise, the Centre/Department will normally be expected to meet any redundancy costs from any uncommitted funds.
- iii. Redundancy costs arising on Research Committee Seed Fund Scheme or Research Initiative Fund-supported projects will be covered from those funding sources, and contingency costs will be included in such budgets.

Where none of the preceding budgets or funds are able to meet the cost it will be met from the PRCS budget.

Moderation factors

i De minimis and proportionality will apply in the case of smaller units. Where the totality of uncommitted balances and the like is less than £20k the cost will usually be met from the PRCS.

ii Where the costs relate to a period of employment elsewhere in the School the costs associated with previous employment are met directly from the School Restructuring – PRCS budget.

Operational guidance to HR

- Note the requirements of C13.3 and ensure approval in place. In the case of contract ends this is the default position
- Establish whether any MSL balances are available to meet the costs, taking into account future savings from the person leaving, where relevant.
- For Outside fund and other uncommitted reserve balances check with the management accounting team
- Consolidate the information and put forward a proposal to the Director of the Finance Division for funding from the PRCS, if required.
- Any delays, charge the total to the PRCS and recharge when facts established