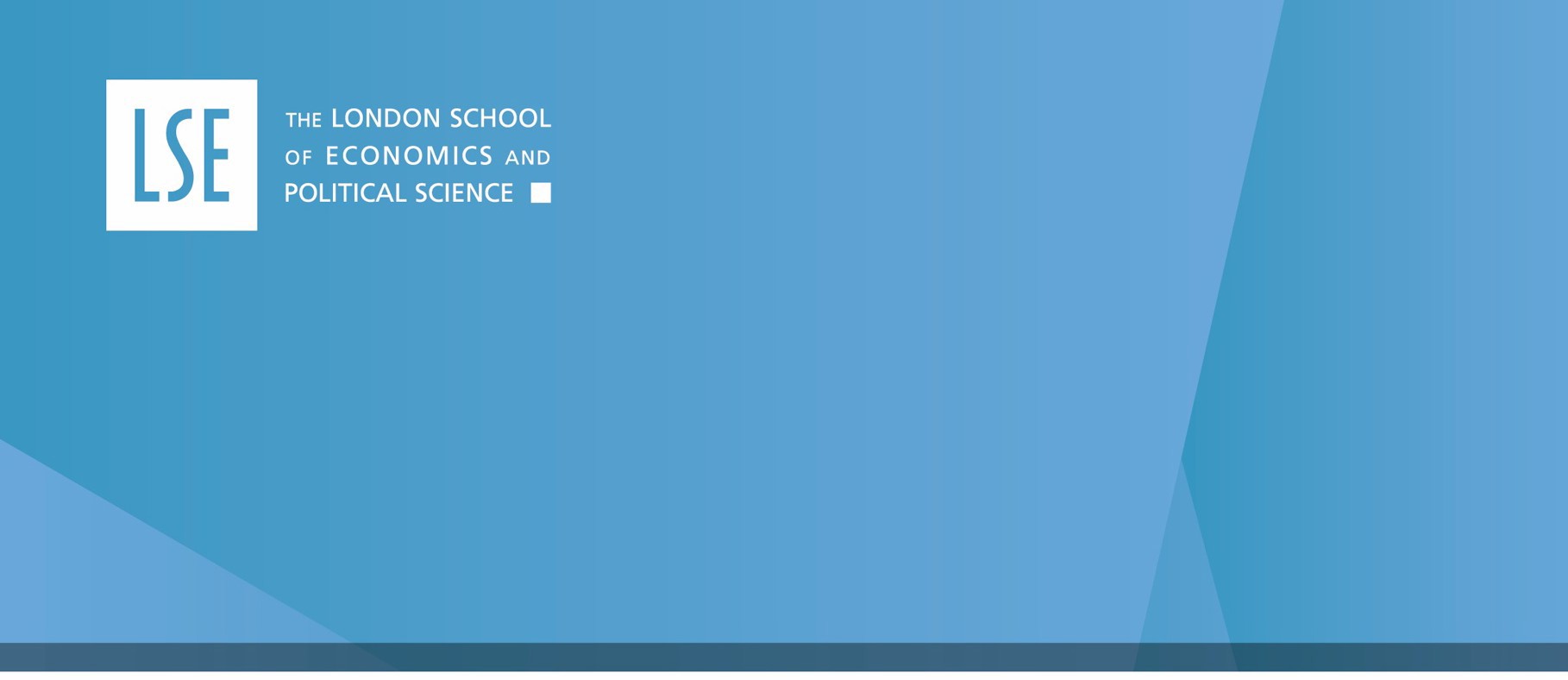
This Financial policy covers permanent virements. One-off, under and overspends within financial years should be notified via the FP&A team to the Chief Financial Officer as soon as they are identified.



**Operational**

**Virement Policy**

Where appropriate, temporary virement arrangements can be approved by the Finance Director.

Definitions

Virement – The **permanent** transfer of part or all of a budget from one or more budgets to one or more budgets.

Budget controller – The head of department, head of other academic unit, professional service head or SMC member.

Budget Controller line manager – in the case of Professional services they are the relevant SMC member, for academic departments and Institutes it is the Vice President and Pro-Vice Chancellor (Planning & Resources) (on behalf of the President).

Establishment – the list of permanent and fixed term approved posts associated with budget by grade, job description and FTE (excluding externally funded research grant staff)

Budgets – individual budget lines, usually representing a unique combination

Budget Groups – budgets are grouped and notified each year to the Budget Controller on form B/1. Individual budget Lines within the ‘Budget group’ can be considered as a single item for virement purposes. B/1 defines this.

# Principles

Budget Controllers are responsible for the prioritisation and deployment of the resources allocated by the School to meet the objectives set by their line manager.

Objectives and priorities may change because of a combination of (i) external factors, (ii) School

decisions or (iii) proposals from the Budget Controller themselves. It is the Budget Controller’s responsibility to identify any resultant cost implications and either absorb that cost within the existing budget/s, reprioritise between existing budgets and propose virement between budgets, budget groups or a combination of both, consistent with the budget controllers agreed.

Only where this is not possible, should supplements to budgets be sought, normally through the formal budget processes of the School.

As staff FTE data is a key reporting metric, ensuring that the number of staff employed on permanent or fixed term contracts is carefully monitored and controlled at all time, this virement process is consistent with that requirement.

# Procedure and detail

Level 1: Virement within Budget Groups held by a Budget Controller - approval by the Budget Controller’s Line manager, notified to the relevant FP&A manager using form B/2.

Level 2: Virement from between Budgets Groups may be possible however if it leads to an increase in staff Establishment headcount, FTE or (in some cases) grade it requires an additional level approval by the Chief Financial Officer and, in the case of academic departments, the Vice President and Pro-Vice Chancellor (Planning & Resources). Giventhe additional complexity of the process, it is recommended that proposals which fall into this category are discussed with the relevant FP&A manager before preparing form B/2.

Virements between Budget Controllers’ budgets are permitted, on an equivalent basis (ie both sign).

# Limits and conditions

Authority Limits are included in the Financial Authorisation Levels Document. Requests for virements should be requested on the Virement Request form.

Virements are permanent transfers. To avoid undermining the authority of Budget Controllers to manage their budgets, a permanent record of Virement will be retained and a subsequent request for additional resources for budgets which had previously been subject to Virement will require additional justification and may be declined on that basis.

**Review schedule**

|  |  |  |
| --- | --- | --- |
| **Review interval** | **Next review due by** | **Next review start** |
| Annual | 31/10/23 | 01/10/23 |

**Version history**

|  |  |  |  |
| --- | --- | --- | --- |
| **Version** | **Date** | **Approved by** | **Notes** |
| 1 | Jan 17 | Mike Ferguson & Andrew Young |  |
| 2 | Apr 2019 |  | Updated for OneFinance |
| 3 | Sept 2020 | Mike Ferguson |  |
| 4 | Nov 2022 | Mike Ferguson |  |
| 5 | Feb 2023 | Mike Ferguson | Updated by NR |
|  |  |  |  |
|  |  |  |  |

**Links**

|  |  |
| --- | --- |
| **Reference** | **Link** |
| Form B/2 | https://info.lse.ac.uk/staff/divisions/Finance-Division/assets/documents/Financial-Planning-and-Analysis/Word/Virement-B2-request-form-V2-23-02-23.docx |

**Contacts**

|  |  |  |  |
| --- | --- | --- | --- |
| **Position** | **Name** | **Email** | **Notes** |
| Head of FP&A | Naomi Richardson | n.richardson[@lse.ac.uk](mailto:l.c.gilbert@lse.ac.uk) |  |

**Communications and Training**

|  |  |
| --- | --- |
| Will this document be publicised through Internal Communications? | **Yes** |
| Will training needs arise from this policy | **Yes** |
| If Yes, please give details  The policy is circulated on an annual basis to Service Areas with their budgets (B1). FP&A Managers will provide assistance in completing requests as needed throughout the year. | |