

# MANDATE REGULATION

SUBJECT	Mandate Regulation Financial Matters 2017 (translated)
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*In the event of textual differences or inconsistencies between the English and the Dutch version, the latter will prevail.*

## 1. INTRODUCTION

### **Financial Matters Mandate Regulation**

Adopted by the Executive Board on 27 March 2017

This Mandate Regulation focusses specifically on the various positions within the units of the university. One of the main principles of mandating is to ensure the separation of positions. The unit supervisor is responsible for compliance with the Mandate Regulation. The Financial Audit Department performs a yearly check on compliance with the Mandate Regulation as part of its regular audit of the annual financial statements. Concurrent with this Mandate Regulation, the Automated Approval Structure (*Geautomatiseerde Goedkeuringsstructuur*, or GKS) has been adapted to match the new Mandate Regulation.

All amounts mentioned in this regulation are amounts including any turnover tax (VAT).

#### **A. Procurement of goods and services.**

The faculties and services are authorised to independently spend the budgets allocated for the procurement of goods and services, in accordance with the requirements of this regulation and within the budget as approved by the Executive Board for the relevant year.

The Executive Board authorises the supervisors, as referred to in Article 29 and Article 30 of the [Administration and Management Regulations](#) and with due observance of Article 31 of said regulations, to contract third parties to procure goods and services. The supervisors are the Dean of a faculty, the Scientific Director of a research institute and the Director of a service. The orders are placed by the supervisors (or the person mandated or delegated by them) with the Procurement Department of the Facility Service Center that is responsible for the procurement policy and the coordination of purchases, or directly with the supplier with whom a purchase agreement has been concluded via the web portal made available for this purpose. The Facility Department/Procurement Department will then place the orders with third parties. The Facility Service Center/Procurement Department must ensure that procurements comply with current legal requirements (including occupational health and safety regulations, environmental legislation, European tendering procedures, etcetera). The purchase agreements/framework agreements concluded by the Procurement Department must be signed by the Executive Board.

On the website of the Financial and Economic Affairs department (*Financiële en Economische Zaken*, or FEZ), various procedures with regard to the procurement and payment of goods/services are described. The procedures are available [here](#).

The supervisors (Dean, Scientific Director, Service Director) authorised by the Executive Board may not further delegate the mandate granted to them for procurements greater than or equal to € 200,000.

In addition, the following applies:

**1. Procurement of goods and services greater than or equal to € 200,000**

Any obligations to procure goods and services which, by themselves or clustered (if it concerns logically interrelated, inseparable components), have a value greater than € 200,000 must be approved by the Executive Board, unless this procurement is part of an agreement already approved by the Executive Board. The Procurement Department, in consultation with the requesting unit, will prepare an agenda for the Executive Board and will obtain all necessary financial, fiscal and legal advice from the Financial and Economic Affairs department (FEZ) and the corporate lawyer.

**2. Mandating (procurement of goods and services).**

The supervisors of an administrative unit (faculty, research institute or service) are, in accordance with Article 29 of the [Administration and Management Regulations](#), the Dean of a faculty, the Scientific Director of a research institute and the Director of a service. Procurements under € 200,000 may only be mandated to persons in the following positions of the own unit (or the persons designated to act on their behalf), provided that the separation of positions remains ensured:

Faculties/Institutes\*

Director of Operations;  
Managing Director;  
Director of Education;  
Department Chair;  
Chair Holders;  
Heads of Department;

Services:

Head of Department;  
Team Leader;  
Project Leader;

\*"Faculties/Institutes" are considered to also include the independent administrative units that are part of the unit, such as DesignLab, University College Twente (UCT), Fraunhofer Project Centre. In case of these (virtual) units, the supervisor of the faculty may mandate procurements under € 200,000 to certain officials/positions within this unit.

The supervisor of the faculty/institute (including the administrative units referred to above) or service shall draw up a list of persons and positions authorised to approve procurements under € 200,000 (including VAT), on the basis of which the Automated Approval Structure (GKS) will be established. This list applies to the entire unit. The supervisor is responsible for maintaining this list.

In case of procurements up to € 2,500 it is structurally permitted to have them carried out under the responsibility of the mandated administrative acts in the relevant administrative systems by officials (delegates) other than the ones listed above.

**3. Statements of Expenses member of the Executive Board, Secretary, Dean, Director of Operations, Scientific Director and Managing Director.**

- Statements of Expenses for a Dean/Director/Scientific Director must be approved by the Secretary of the University of Twente. Statements of Expenses greater than or equal to € 5,000 must also be approved by the Chair of the Executive Board;
- Statements of Expenses for a Director of Operations/Managing Director must be approved by the Dean or Scientific Director, respectively. Statements of Expenses greater than or equal to € 5,000 must also be approved by the Secretary of the University of Twente;
- Statements of Expenses for a member of the Executive Board must be approved by another member of the Executive Board and by the Secretary of the University of Twente;
- Statements of Expenses for the Secretary of the University of Twente must be approved by two members of the Executive Board;

- An annual overview of expenses claimed by deans/directors, drawn up by the Financial and Economic Affairs department (FEZ), must be approved by the Chair of the Executive Board and the Secretary of the University of Twente;
- Personal costs and allowances for ancillary positions by members of the Executive Board shall be submitted for approval quarterly to the Chair of the Supervisory Board.

#### **4. Insurance/loans/guarantees.**

- Insurance may only be taken out by Financial and Economic Affairs in coordination with the portfolio holder of the Executive Board.
- The provision of loans to third parties, the investment of funds and significant guarantees may only be authorised, in accordance with Article 31 of the [Administration and Management Regulations](#), by the Executive Board, provided that the relevant faculty guarantees the loan.

#### Approval procedure orders/procurements, purchase invoices, Statements of Expenses and advances

The approval procedure for orders/procurements, purchase invoices and/or Statements of Expenses and advances is digitised. The financial cluster lays down in an Automated Approval Structure table (GKS table), according to a specification provided by the supervisor of the faculty/institute/service, who the first approver, acting first approver, second approver and acting second approver are. The second approval applies to procurements/orders and invoices where the amount (including VAT) is greater than or equal to € 10,000. The limit for the second approval of travel and expense claims and advances is set at € 1,500.

#### Note:

A Controller or Head Administrator of a faculty may only serve as a first approver for statements of expenses/purchase invoices relating to the department that he/she manages. He/she may serve as second approver if the separation of positions is ensured. Since only the persons in the positions mentioned under item 3 (Mandating) may be mandated, mandating is not permitted to other staff members of a financial cluster.

#### Urgent payments

In exceptional situations, it is possible to pay invoices as a matter of urgency. These are the so-called “manual payments”. The “Manual Payments Procedure”, which is available [here](#), states which payment orders are eligible to be paid as a matter of urgency.

Every faculty/service is required to submit an up-to-date “[Manual Payments Authorisation Procurement Scheme](#)” to the Financial and Economic Affairs department (FEZ). The actual payments shall be made by Financial and Economic Affairs (FEZ) in accordance with the procurement scheme that has been agreed with the bank.

#### **B. Work for third parties.**

Under Article 30 of the [Administration and Management Regulations](#), the Executive Board grants a mandate to be determined to the supervisor (as indicated in Article 29 of the Administration and Management Regulations). One part of the mandate granted to the supervisor consists of the authority to enter the university into legally binding commitments with third parties by concluding agreements and cooperation agreements for the delivery by the university of research, education and other services. These deliveries together, in so far as they fall outside the scope of the delivery of 'regular' education, are referred to as work on behalf of third parties. The supervisor is responsible on behalf of the administrative

unit for monitoring the procedures governing the “Work for Third Parties” regulation.

A Dean may only further delegate the mandate granted to him/her to the Director of Operations or, in his/her absence, to the Controller. A Scientific Director may only further delegate his/her mandate to a Managing Director.

#### Restriction of the mandate

This mandate has a restriction with regard to the conclusion of agreements that fall under the “Work for Third Parties” regulation. In the context of this mandate, concluding an agreement is understood to mean the following: A request to a third party to fund on the basis of public law (subsidies) or to a public or private party to fund on the basis of private law.

The supervisor is, without further restriction on the basis of this mandate, only authorised to conclude these agreements if the total financial contribution for the own costs of the University together with any shares of third parties whereof the UT bears risk is less than € 450,000. This is subject to the provision that there will be no (overly considerable) negative contribution margin (subsidy received/- additional costs).

All subsidy applications must be approved in advance by the Secretary of the University if the negative contribution margin exceeds € 200,000. To do so, the authorisation form (Appendix 3), which is available here, must be submitted to and signed for approval by the Secretary of the University.

In case of work for third parties whereby the contractual relationship could be considered to be a private procurement (either by a private or a public organisation) and the negative contribution margin exceeds € 25,000, approval must be obtained in advance from the Secretary of the University by means of the authorisation form (Appendix 3).

For subsidy programs provided by the European Union, the Central Government or derived agencies, the Netherlands Organization for Scientific Research (NWO) and local authorities that exceed the limit of € 450,000, it shall be sufficient to notify the Executive Board prior to signing the agreements, to the extent that these programs are laid down in the list of programs previously approved by the Executive Board on the advice of the Financial and Economic Affairs (FEZ)/Strategy & Policy (S&B) department; see Appendix 4. The management of the list of approved subsidy programs is carried out by the Financial and Economic Affairs department (FEZ).

For the compulsory notification of the projects mentioned above, a faculty or institute must use the notification form that is available on the website of Financial and Economic Affairs (FEZ). This form (see Appendix 1) is available [here](#). This notification form must be submitted digitally to the Secretary of the University, accompanied by a digital version of the summary of the project.

The European Commission does not accept applications that fall under the Erasmus+ program with mandated signatures. All applications for this program must be signed by the Chair of the Executive Board on the “mandate” Appendix to the application. The only exception to this is the documentation for individual mobility of students and staff: this requires the signature of one mandated International Office official to whom this task has been assigned.

The conclusion of agreements based on private law always requires a signature by the Executive Board if they exceed a contract amount of € 450,000.

The above-mentioned method for the approval or notification of work for third party projects is visualised in the flow chart (Appendix 5).

If the above situations do NOT apply, the supervisor will submit the authorisation (= signing) of the agreement to the Executive Board for approval. This also applies to consortia projects whereby the University of Twente acts as the consortium leader and the value of the agreement (including third-party share) or the maximum risk exposure equals or exceeds € 450,000. In this case, the relevant agreements must be submitted to the Executive Board accompanied by advice from Financial and Economic Affairs (FEZ) and Strategy & Policy (S&B). This advice must include a risk profile and a legal assessment of the subsidy programme concerned or the agreement to be concluded, a risk profile of the project concerned and legal advice about the structure of the agreement.

The Executive Board has established a form for this authorisation (Appendix 2) that must be enclosed, duly completed and attested by the required initials and recommendations, with each request for authorisation. This form is available [here](#) on the website of Financial and Economic Affairs (FEZ).

#### **C. Electronic signature Horizon 2020.**

In some programs (including Horizon 2020), the European Commission makes use of electronic signing of agreements. Institutes are themselves responsible for designating persons within their organisation to be "Legal Signatories" (LSIGN: persons mandated to electronically sign agreements) or "Financial Signatories" (FSIGN: persons mandated to electronically sign "Cost Statements"). To this end, the Chair of the Executive Board will appoint the "Legal Entity Appointed Representative" (LEAR). The LEAR is responsible for granting LSIGN and GSIGN rights within the University of Twente, in line with this mandate.

#### **D. Management of eHerkenning resources**

A growing number of (Dutch) government organisations is making their services available via [eHerkenning](#) (eRecognition). *eHerkenning* tells government organisations with whom they are dealing. It also tells them whether certain employees are authorised to act on behalf of a company or organisation. Essentially, *eHerkenning* controls the digital recognition (authentication) and checks the digital authorisation (authorisation) of persons who wish to procure an on-line service.

As the legal representative of the University of Twente, the Chair of the Executive Board is authorised to manage so-called *eHerkenning* resources on behalf of the University of Twente, allowing UT employees to identify themselves when they procure on-line services from government organisations. The Director of the Financial and Economic Affairs department (FEZ) is granted a mandate to take over this management on behalf of the Chair, in line with this Mandate Regulation.

#### **E. Other**

The matters listed below, which have financial consequences, may only be handled by the supervisor of a faculty/service. Further delegating to the persons/positions listed under item A4 is permitted, however, provided that the separation of positions remains ensured.

- disposal of equipment/inventory
- write-offs (of claims, restitutions and unduly received payments)
- overtime
- authorisation of time registration
- internal transfers and cost allocations

Appendices:

1. WORK ON BEHALF OF THIRD PARTIES NOTIFICATION
2. WORK ON BEHALF OF THIRD PARTIES AUTHORISATION
3. WORK ON BEHALF OF THIRD PARTIES NEGATIVE CONTRIBUTION MARGIN > € 25,000  
AUTHORISATION
4. APPROVED SUBSIDY PROGRAMS OVERVIEW
5. MANDATING WORK FOR THIRD PARTY PROJECTS FLOW CHART