

# Understanding finance

## Introduction

As a manager, many of your decisions will have a financial impact, which ultimately affects the University's overall financial strategy. You may or may not have direct responsibility for managing a budget, but you will need to be aware of budgets that affect and are affected by your decisions. For example, decisions you make about recruiting people to work in your team, or about making purchases, can have a significant financial impact.

Even if you do not manage a budget, it is likely that you will have some involvement in financial processes, for example by making purchases or approving expenses for your team. Managers should be aware of key financial policies and processes so they can avoid making costly mistakes or causing reputational damage. If in doubt about a financial matter, seek help from your departmental finance team or contact the Finance Division.

## Five steps to get started

1. Understand University finances	It may be helpful to understand how the University's finances and decision-making processes operate, so you are aware of the bigger picture and where you and your team fit into this. Start by looking at the <a href="#">web pages on Finance and Funding</a> which show the major sources of income and expenditure, and talk your departmental finance team to understand where your areas sits in the context of your department's income and expenditure.
2. Understand your financial responsibilities	Managers in the University have different levels of financial responsibility. For example, you may be responsible for managing a budget; following financial processes or ensuring that others follow them; or hold delegated approval responsibility. You should start by making sure you know the scope of your financial responsibilities and any constraints you need to be aware of by talking to your manager and departmental finance team. For example, budgets may have restrictions on spend such as specific terms and conditions for research funding or donations.
3. Know the key policies and processes	There are a number of important policies and processes, designed to support activity by safeguarding individuals as they do their work and ensuring that risks are managed and the University makes the best use of its resources. It is important that you are aware of these policies and processes, even if you think that you have limited financial responsibility - they cover all aspects of the activity, not just the work of finance teams. Most financial administration is covered by <a href="#">the Financial Regulations</a> and <a href="#">Financial Processes</a> , which manage risks around paying people or working with customers and suppliers, but there are also policies in place to manage risks such as <a href="#">conflicts of interest</a> , <a href="#">bribery and fraud</a> .
4. Be aware of the administrative systems and reporting	Financial administration in the University is underpinned by <a href="#">a number of systems</a> . You may or may not use these systems, but it is useful to be aware of them. Oracle Financials is used to record financial transactions and produce the University's financial statements, and finance teams use it extensively. As a manager, you may be involved in requesting or approving purchases on Oracle. The <a href="#">Budget and Forecasting Tool (BFT)</a> supports financial planning, while <a href="#">X5 is</a>

	<p><a href="#">used to budget for research projects</a>. From 2021 the University is introducing <a href="#">a system for claiming expenses</a>, SAP Concur eExpenses. You should also check what reports you may receive from your departmental finance team and what you should do with them. For example, if you manage a budget, you may be provided with monthly reports and asked to check expenditure and provide forecasts of expected future income and spend.</p>
5. Know when to get help	<p>The most important thing is to recognise when you might be likely to need to follow a policy or process. You don't need to know all the details immediately, but it is important to recognise when you might need to get more information. If in doubt about what to do, it is advisable to talk to your departmental finance team. You can also contact the Finance Division, and the Finance Division website includes useful information about a range of matters, as well as details of available training. This may be useful if your team asks questions, for example about expenses, travel schemes or childcare vouchers.</p>

### When might you be using finance processes? As well as managing a budget, you might:

- Need to buy something: use the [purchasing processes \(and see our guide on Buying Goods or Services\)](#).
- Need to [engage someone to do a piece of work](#): it is important to check that we engage them correctly, paying employment taxes if necessary.
- Be travelling for work: you may need to get [travel insurance](#) before you leave and claim expenses.
- Be running an event: [use Cvent](#) and make sure you follow rules about taking payments.

### A final thought

Finance has many strands to it. Your role may require a deep understanding of some specific areas, or it may be that you just need a general understanding of the basics. Talk to your manager. Talk to your team. Then prioritise what you need to know in detail, what you need to be aware of, and what you might need on occasions so you can create a list of 'things to know' about money matters associated with your role.

## Further resources

- Start by looking at the web pages on [Finance and funding](#)
- Browse the [Finance Division home page or 'Popular links' list](#) for links to relevant topics. The [Expenditure and purchasing](#) page has links to widely-needed subjects such as payments, buying, expenses and using petty cash.
- [Buying goods or services](#)
- [Claiming expenses](#)
- [Managing claims linked to research](#)
- [Bribery and fraud](#)
- Related guides from this series: [Buying goods and services](#) and [Compliance awareness](#)

## About this guide

This guide has been developed for staff who have recently taken on the responsibility of managing other staff members. Guides were produced to cover key topics to induct, guide and support managers through key areas of responsibility. These guides are intended to be 'living documents' and will be re-released over time. Please get in touch with feedback and suggestions: [pod@admin.ox.ac.uk](mailto:pod@admin.ox.ac.uk)

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