Tax Policy

Version Number 1.4

September 2026

Owner: Deputy Chief Executive and Chief Finance Officer

Author: Head of Financial Accounting

Finance Department

Revision History incl. Authorisation: (most recent first)

Author	Summary of changes	Version	Authorised & Date
I Dempsey	Review/Minor amendments	V1.4	June 2026
I Dempsey	Update to role titles	V1.3	June 2024
I Dempsey	Review/Minor amendments	V1.2	Approved by ARC 24/01/2024
J.Carrigan & I Dempsey	Review	V1.1	Approved by Council 8/10/21

Policy Management and Responsibilities

Owner:	This Policy is issued by the Deputy Chief Executive and Chief Finance Officer who has the authority to issue and communicate policy on financial matters of the University. The Deputy Chief Executive and Chief Finance Officer has delegated day to day management and communication of the policy to the Head of Financial Accounting.
Others with responsibilities (please specify):	All subjects of the Policy will be responsible for engaging with and adhering to this policy.

Author to complete formal assessment with the following advisory teams:

Equality Analysis (E&D, HR) Equality Impact Assessments	This is mandatory. Specify date completed and brief outcome. Email the completed EA to Equity@salford.ac.uk
Legal implications (LPG)	N/A
Information governance (LPG)	N/A
Student facing procedures (QEO)	N/A
UKVI compliance (Student Admin)	N/A

Consultation:

Staff Trades Unions via HR	N/A
Students via USSU	
Any relevant external bodies (specify)	

Review:

Review due:	Every three years by September 2029
Document location:	University policy and procedures pages

The owner and author are responsible for publicising this policy document.

Tax Policy

Contents

1. Introduction & Scope 4
2. Tax Policy 4
3. Objectives 5
4. Risk Management & Governance 5
5. Attitude to Tax Planning & Level of acceptable risk 6
6. Relationship with the tax authorities 7

1. Introduction & Scope

a. The University of Salford, an exempt charity, granted by a statutory instrument passed in May 1967, under the terms of the Charities Act 2011, has due regard to the Charity Commission and its guidance on the reporting of public benefit.

b. Its primary purpose activity, the advancement of education in accordance with the requirements of The Office for Students (OfS), the principal regulator of English higher education institutions under the Charities Act 2011.

c. As the University of Salford is an exempt charity within the meaning of the Charities Act 2011 it is potentially exempt from taxation in respect of income or capital gains within categories covered by relevant tax legislation and to the extent that such income or gains are applied exclusively to charitable purposes.

d. Significant non-primary purpose activity that generates profits after allocation of central overheads is effectively ring fenced through trading subsidiary companies, from which any profits are donated to the parent company, the University, by way of Gift Aid donation.

e. Aligned with the University's charitable purpose, this document sets out the University's strategic approach to all of its tax affairs and the management of associated tax risk, domestically and worldwide. The tax policy applies to the University and its subsidiaries.

f. All references to tax, taxes and taxation are inclusive of; Corporation Tax, VAT, Payroll taxes, Stamp duty, Land tax and all overseas taxes to which the University's activities may give rise.

g. All reference to the University and its subsidiaries throughout this document shall be to the 'University'.

2. Tax Policy

a. The University, an intrinsically ethical higher education institute, is committed to the highest levels of integrity and professional standards.

b. Such values are reflected in the manner in which it conducts its tax affairs. The University tax policy comprises therefore, the following set of principles;

- Ensure compliance with all relevant tax legislation, rules, regulations and reporting requirements wherever it operates
- Review and update its tax policy periodically, confirming overall consistency and alignment with the University's core values, strategic approach and charitable mission
- Apply professional due diligence and care in the proactive management of all risks associated with tax matters, ensuring that governance and assurance procedures implemented are appropriate
- Build and maintain constructive, professional working relationships with the tax authorities, based on transparency and ethical integrity

- Access incentives, reliefs and exemptions to which the University is entitled and to only apply them in the true spirit and nature that the legislation intends
- Develop University wide accounting systems, improving the quality of underlying data, statutory reporting and tax submissions
- Promote awareness of need for tax compliance across the University
- Will seek appropriate professional advice where tax law is complex, uncertain or subject to interpretation.

3. Objectives

a. The University will account for accurately and pay the right amount of tax. Ensuring that equal consideration is applied to both paying over liabilities due and ensuring that taxes are not overpaid.

b. To act prudently as the default with a view to maintaining low levels of tax risk across the University. Identifying tax risk and acting appropriately in reducing that risk, where possible.

c. Ensure that suitably qualified and experienced individuals are positioned in areas of tax related responsibility, including Payroll taxes, Direct and Indirect Taxes, Accounts Payable and Accounts Receivable. Proactively ensuring that those individuals are fully equipped, through training and methods otherwise, to execute major responsibilities and to meet the statutory reporting obligations of the University.

d. Ensure that the University keeps up to date with relevant tax developments and emerging issues including implementation of Making Tax Digital.

e. Progressively develop University wide accounting systems aimed at improved tax compliance, striking the appropriate balance between automation and manual intervention. To adapt swiftly and effectively to digital advances in the way tax authorities collect taxes. Achieving and maintaining compliance with Making Tax Digital in respect of UK taxes.

f. Maintain a low tax risk status with the tax authorities. Meeting tax submission deadlines and payments in a timely manner, submitting voluntary disclosures when required and engaging collaboratively with the tax authorities on matters of complexity. The University will obtain the advice of external advisors, when required, to ensure that these objectives are met to the desired standard.

4. Risk Management & Governance

a. Ultimate and overall responsibility for risk management and governance sits with the University Council. The Vice Chancellor is the executive leader of the University and works closely with the University Leadership Team. The Council has delegated responsibility to the Deputy Chief Executive and Chief Finance Officer to implement appropriate policies, controls and processes. The Director of Finance has the day-to-day responsibility for risk management in respect of tax with Audit and Risk Committee (ARC) responsible for reviewing the integrity and effectiveness of the risk management framework. The Head of Financial Accounting has responsibility for day-to-day management and communication of the tax policy.

b. The Director of Finance, governed by a set of internal financial regulations, is responsible for maintaining the University's tax records, making all tax payments, receiving tax credits and submitting tax returns by the appropriate due dates.

c. Day to day tax responsibilities and actions are delegated to a Finance Senior Team who are tasked with, amongst other things, meeting the University's tax obligations and mitigating associated risk.

d. The Finance Senior Team maintain sufficiently well-resourced departments with suitably qualified personnel enlisted across the various elements of finance, payroll, accounting and taxation.

e. Segregation of duties is ensured, with section heads managed by a Director of Finance , providing for robust internal controls and sustainable tax risk management.

f. Tax personnel act in a business partner capacity to both academic and non-academic staff. Providing timely advice and guidance and ensuring compliance when identifying and considering new opportunities.

g. Training and guidance material are frequently provided to staff, highlighting current and emerging tax issues and treatments of relevance to the Higher Education sector, alongside ever-changing legislation.

h. Rigorous period-end controls and processes exist, including reconciliation, review and correction, eliminating transactional error and ultimately improving the overall accuracy of University reporting. Continuous process review and improvement applied in these areas, contribute towards minimising the risk of future challenge from the tax authorities.

i. Continuing Professional Development (CPD) responsibilities, ensure that staff progressively refresh and update area specific knowledge, ensuring that the University is present and correct in its treatments, controls and processes. CPD tax requirements include participation in BUFDG training courses, being a proactive member of the North Tax Group and attending in-year catch ups with external advisors, reviewing and consulting on present and future tax matters.

j. A University tax risk register is maintained, documenting major risks, implications and methods for risk mitigation. Significant actions arising from the risk register are raised at ARC by senior management, ensuring that material tax risks are suitably managed through the official channels.

5. Attitude to Tax Planning & Level of acceptable risk

a. As an eligible body, the University seeks to maximise its entitlement to relevant tax initiatives, incentives and exemptions. At the same time, ensuring that it consistently acts within the true nature and intention of the applicable legislation.

b. To only engage in reasonable tax planning that is fully aligned with commercial and economic activities of true substance and business purpose.

c. In respect of the Criminal Finances Act 2017, the University endeavours to achieve the true, fair and accurate tax position across all University activity, including that involving associated persons, collaborative arrangements and third-party agreements.

d. The University is committed to preventing the facilitation of any form of tax evasion, both internally and through all external business engagements. Maintaining and updating an internal Criminal Finances Act policy demonstrates this ongoing commitment.

e. The University will not enter into activities, schemes or transactions primarily aimed at obtaining a tax advantage, nor will it deliberately misconstrue the interpretation of tax legislation contrary to its original intention and outcome.

f. When considering new ventures, projects and income streams, the University will identify, evaluate and mitigate material tax risk to an acceptable level. Where deemed necessary, professional advice shall be sought in areas of strategic tax planning of a complex and material nature.

6. Relationship with the tax authorities

a. The University places high importance on integrity and ethical standards. In keeping with such high standards, the University understands that positive interaction with the tax authorities is key to satisfying its tax obligations and reporting requirements.

b. The University's approach to such interactions include:

- To endeavour at all times, to operate in a transparent, constructive and collaborative manner through all interaction with the tax authorities. Proactively maintaining a professional and effective working relationship.
- Identify and correct errors in tax treatment, that may arise from time to time, in a controlled, prudent and timely manner via the appropriate channels. Notifying HMRC, where necessary, of any material corrections required at the earliest opportunity.
- Where possible, respond to requests by the tax authorities for evidence, information and analysis in real time and always within given response timescales.
- Approach HMRC, with the assistance of external tax advisors, to achieve clarification in areas of complexity and where the tax treatment is uncertain. Further engaging with HMRC's Public Bodies Group where relevant and beneficial.
- Continue to play an active role in consultations with HMRC via Higher Education sector representative BUFDG – British Universities Finance Directors Group.
- When required, the University will engage with external tax advisers to support them in interactions with overseas tax authorities.