

PROFESSIONAL DEVELOPMENT ACCOUNTS (PDA)

Introduction

PDA rules have been devised to provide guidance to College/ Services / Budget holders and to ensure that some historic Inland Revenue's concerns in respect of income potentially being treated as taxable for the individual are addressed.

PDA accounts were historically in the D range of codes and with the new GL coding and the introduction of the GM Ledger, the accounts will now be within the main recurrent range identified by Activity 2 type A450.

Rules

1. Funds held in PDA accounts are University funds.
2. The establishment of a PDA is at the discretion of the College Dean/ Head of Service / College Manager.
3. The operation of a PDA is the responsibility of the College/ Service
4. PDA accounts can be requested for specific individuals (the establishment of PDA accounts is not restricted to academic staff) or generic departments/ research groups/ units. For the latter the College/ Service will need to establish clear procedures for how the generic/ virtual PDAs will operate and how the College/Service will control the funds within an account. The responsibility for monitoring the income and expenditure for the account would lie with the College/ Service, who would need to ensure that adequate records were maintained for internal monitoring purposes.
5. No individual should have more than one PDA.
6. The level of allocation to PDA accounts is at the discretion of the College Dean/ Head of Service / College Manager. The College may have written procedures governing the entitlement to PDA allocations eg. in respect of research grant income generated or the level of allocation may be determined by individual negotiation eg. for ad hoc income.

Income to be transferred to PDA accounts should have been generated from work that an individual has undertaken in addition to their core workload or as part of an incentivisation scheme.

Examples of sources of PDA transfers are:

- A % of research grant income or a set allowance as part of an incentivisation scheme to increase research applications/ income.
- A set of allowances as part of an incentive scheme to increase international student recruitment.
- Consultancy activity
- Surpluses/ deficits on research projects
- Ad hoc workshops/ training events/ CPD activities/ editing or publishing journals/ in-house conferences
- Start up funds for new members of staff

- Discretionary allocations from the College/ Service
- Allocations in connection with PGR research supervision

7. The College/Service will need to send a costcode request form to their Academic / Professional Services Accounting team when a new PDA is to be established and at the same time ensure that the individual for whom the PDA is being established is given an up to date copy of the University's guidance in respect of the operation of PDAs.
8. PDA transfers should be requested by either the College Dean/ College Manager/ Head of Service or ACM R&F, with a brief explanation of the original income giving rise to the allocation. Where Colleges/ Services action their own journals such information should be included within the journal narrative.
9. Funds held in a PDA are College/ Service funds where the budget holder has discretion over the use of the funds providing the funds are expended in accordance with the University's regulations (ethics, employment procedures and regulations, equipment ownership etc). Expenditure should be in connection with the furtherance of the individual's academic/ research/ professional progression, similarly for generic department/ research group/ unit accounts. The expenditure may include items such as the cost of conferences, workshops, research expenses, equipment/ books or laptops. Where such funds are used to purchase equipment then the asset should be security marked as University of Exeter property in the usual way and recorded in the College/ Services' asset register and if the individual leaves the University the equipment should be returned to an appropriate member of staff within the College/ Service. (Equipment should not be purchased by an individual and then reclaimed via an expense claim).
10. All external and internal income is to be transacted through the College/ Service's main recurrent budget before being allocated to the PDA. The level of allocation is at the discretion of the College Dean/ head of Service or in line with College/ Service PDA policies.
11. All external income must be properly accounted for and comply with VAT and Inland Revenue and University regulations. This would generally involve the raising of an Exeter University sales invoice.
12. Where the source of external income is via consultancy, the member of staff undertaking the consultancy work must have informed the College Dean/Head of Service prior to undertaking the work and route it via Exeter Enterprises (if appropriate).
13. The cost of staff on a contract funded from a PDA funds must be charged to the College/ Service's main recurrent budget, which will then be re-imbursed from the PDA. Temporary staff costs, overtime and one-off payments are eligible charges against a PDA but must follow the University's procedures for such payments.
14. Any funds remaining on a PDA when a budget holder leaves the University's employment will be transferred to the College/Service's main recurrent budget, unless the individual retains an honorary status. Balances on PDA accounts cannot be paid to individuals when they leave the University.

15. Funds transferred to PDA accounts (eg. merit awards) become University funds and cannot be paid to an individual at a later date.
16. PDA funds transferred from other Institutions.
- a. PDA funds transferred to Exeter should be ring-fenced and must be used before any Exeter generated PDA funds;
 - b. The use of the transferred PDA is subject to same rules as the Exeter PDA funds;
 - c. If the individual leaves the University and there is any unused element of the transferred PDA funds, the College/ Service may consider the transfer of the funds to the individual's new Institution. The College/ Service and the individual should discuss the rules associated with PDA accounts prior to any transfer of funds from another Institution.
17. PDA should not have overspent balances at the year-end; any shortfall should be funded by the College/ Service.
18. The PDA budget holder must ensure that there are sufficient funds in his/ her PDA prior to making commitments against it.
19. The PDA budget holder should notify the College Dean/ Head of Service, College Manager or Finance Officer of any significant spend against PDA accounts as soon as he/she becomes aware of any potential use of funds, thus enabling the School/ Service to inform colleagues in Finance Services, allowing cash flow implications to be considered.

Subjective codes

Historically a limited number of codes have been linked to PDA accounts for analysis and control purposes, the equivalents in new GM Ledger being:

- J1A-078** Research staff – Salary - Temporary
- J1B-078** Research staff – NIC - Temporary
- J58-077** Support staff recharged – Staff bank
- J5A-078** Support staff- Salary – Temporary staff
- J5B-078** Support staff- NIC – Temporary staff
- J5E-000** Support staff – Overtime
- L70-000** Course/Conf/Exhib Reg Fees
- N39-080** Non-Library publications
- N20-097** Equipment – Purchases < £25K
- N21-000** Consumables
- N60-502** Travel – UK
- N60-504** Travel – Overseas
- N63-000** Accommodation/ Subsistence
- N99-000** Other costs
- V01-000** PDA (transfer from/to core recurrent codes)