



Financial Procedures

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Approved by:

on:

1.0 Purpose and preamble

- 1.1 The aim of this document is to clarify and ratify financial procedures that must be adopted throughout the Students' Union by all staff and officers in the conduct of financial transactions of the Students' Union.
- 1.2 It should be appreciated by all members of staff and officers that these procedures are integral to working for Bath Spa Students' Union and every individual has a responsibility to be familiar with the procedures and ensure adherence thereto.
- 1.3 From time to time there will be a requirement to update these procedures. In this connection it should be noted that failure to follow any revised procedure might result in disciplinary procedures being commenced.
- 1.4 The Finance Procedures form an appendix to the constitution and in the event of any conflict the constitution is the overriding document of authority.

2.0 Ownership, status, professional advisers & accounting dates

- 2.1 The full **name** of the organisation is the Bath Spa University Students' Union, also referred to as Bath Spa Students' Union or the Students' Union.
- 2.2 The Union is an **unincorporated association**. It has **charitable status** gained through its association with the University, but it is not a registered charity
- 2.3 The Union's principal **place of business** is the Students' Union, Bath Spa University, Newton Park, Bath, BA2 9BN. Its secondary place of business is the Students' Union, Bath Spa University, Somerset Place, Lansdown, Bath, BA1 5SF.
- 2.4 Its Value Added Tax (**VAT**) registration number is 501 9890 44
- 2.5 The **trustees** of Bath Spa Students' Union, are the Board of Trustees, who are elected annually and serve from 1st July to 30th June or are appointed by the Board directly.
- 2.6 The **financial year** shall run from 1st August – 31st July.
- 2.7 The **Auditors** of the Union are Berkley Hamilton
- 2.8 The **Bankers** of the Union are National Westminster Bank.
- 2.9 The **Insurance Brokers** of the Union are Endsleigh Business Insurance Services,

3.0 Bank accounts & management of bank balances

- 3.1 **Bank accounts** for the Union can only be opened or closed with the permission of Board of Trustees; the **name** on Union bank accounts will be Bath Spa Students' Union.
- 3.2 The Union currently has 6 **bank accounts**, a current and business reserve account for each of the three areas of the Union. All receipts and payments must be made through these accounts.

- 3.3 **Cheques** drawn on these accounts must be signed by the Finance/General Manager or Membership Services Manager and one Sabbatical Officer, this will normally be the President.
- 3.4 **Transfers** will be made on a regular by sweep from the current account to the business reserve account, ensuring that a minimum balance is kept in the current accounts. At present, the minimum balance is £2,500
- 3.5 **Direct debit agreements** must be authorised by the Senior Management Team

4.0 Control of expenditure

- 4.1 Expenditure shall only be made against an **approved budget**, by the nominated budget holder (details of budgets and budget holders are detailed in the Budget Guidelines, which are circulated at the start of each financial year).
- 4.2 Any letter regarding the price or ordering of goods must include the following at the bottom, "**Nothing in this letter constitutes a contract unless accompanied by an official order number**".
- 4.3 An official **purchase order number** must be given to every order, which must be written down along with the order and its value. This must be undertaken for all goods and services to be purchased from outside the Union, including the University. Nothing should be ordered without a Purchase Order Number being assigned. The purchase order numbers must be assigned and the order signed by the relevant Budget Holder, within the limits set under 4.3.4.
- 4.4 **Purchase Order Numbers** shall be the initials of the budget holder followed by the date followed by the order number of the day. Eg. **Tjh/5/4/07/1**
 - 4.4.1 Exceptions to this rule, which will be covered by other procedures are:
 - Petty cash purchases
 - Public utility services and periodic payments, e.g. telephones, rent
 - Goods or services supplied under contract, e.g. maintenance agreements
 - Reimbursements to staff and officers, e.g. for travel expenses
 - 4.4.2 The written order along with the purchase order number should be photocopied and the original should be sent to the supplier, the second copy to the Finance/General Manager, and the third copy should be kept by the ordering department and filed in numerical order; this is an auditing requirement.
 - 4.4.3 The following must be included on the purchase order:
 - Date of order
 - A price from the supplier, including details of any VAT
 - The supplier's details
 - The purchasing department
 - The person ordering the goods/services
 - The budget heading and code to be billed

- 4.4.4 The appropriate budget holder may authorise expenditure to the following limits, for the following purposes:

	<i>goods for resale</i>	<i>other goods/services</i>
Finance/General Manager	£10,000	£10,000
Bars Manager	£10,000	£2,000
Shop Manager	£10,000	£1,000
Membership Services Manager	£5,000	£5,000
Office Manager	£1,000	£1,000

Any order above these limits must be authorised by the Senior Management Team or the Board of Trustees

- 4.4.5 Goods or services ordered by telephone still require a Purchase Order Number; the order should be written down and a copy sent to the Finance/General manager.
- 4.4.6 If a cheque is to be sent with the order form with purchase order number, the budget holder must attach a 'proforma invoice', obtained from the supplier, and pass the order to the Finance/General Manager. On receipt of the goods/services, the supplier will issue a VAT invoice, which must be passed to Finance/General Manager to enable any VAT to be reclaimed.
- 4.4.7 Any request for which no budget funds are available must be referred to Senior Management Team who may refer it to the Board of Trustees.
- 4.4.8 All capital orders or long-term contracts must be approved by the Board of Trustees and be signed by the Finance/General Manager and one of the sabbatical officers.
- 4.5 **Signatures** are a vital element in the system of accountability. They are not merely an acknowledgement, but a personal commitment that the order has been made for the proper furtherance of departmental or Union objectives. Failure to comply with financial procedures is a disciplinary offence. Falsification of signatures will be viewed as gross misconduct.
- 4.6 The proper control and monitoring of **goods received** is an essential part of financial control.
- 4.6.1 Goods/services received must be promptly checked to ensure that the complete order has been received. The order form should be attached to the delivery note, certified and dated by the person receiving the goods. For all non-commercial services, the Finance/General Manager will match these documents to the supplier's invoice and approve the invoice for payment. All paperwork should be passed to the relevant person in time to enable supplier's credit terms, including settlement discounts, to be honoured.
- 4.6.2 For part deliveries, the order form should be copied with the goods received clearly marked. This should be certified before passing to the Finance/General Manager. If goods have been invoiced but not received or returned as faulty, a request for a credit note must be completed, authorised and sent to the supplier. A copy should be attached to any documentation

sent to the Finance/General Manager, who will hold the respective invoice until a credit note is received. On delivery of the final part of the order, the original form should be certified and sent to the Finance/General Manager.

- 4.7 The Finance/General Manager will not process **invoices** in the following circumstances:
- Where documentation is incomplete
 - Where there is a significant difference between invoice and order value (5% or £100, whichever is lower)
 - Where no order exists

Budget holders must take responsibility for dealing with such problems. Failure to do so may result in supplies being stopped.

- 4.8 **Tendering procedures** shall apply to the purchase of goods/services that are not for re-sale, which exceed £3,000, excluding VAT.

4.8.1 A minimum of 3 tenders must be sought, unless an existing University, public sector or National Student body purchasing agreement can be used, which has been awarded by competitive methods. Or unless it is for acts and services for the events department.

4.8.2 The contract/agreement must normally be awarded to the lowest tender, after taking into account all relevant costs, relating to acquisition, servicing, quality, reliability, performance and disposal.

4.8.3 The Senior Management Team and the Board Of Trustees must agree in advance, the award of a tender other than the lowest.

4.8.4 Copies of all quotations must be passed to the Finance/General Manager and stored for at least 12 months for auditors to inspect.

4.8.5 For goods to which the tendering process does not apply, and where no approved supplier or contractor exists, 3 quotations must be sought to ensure that value for money is obtained.

4.8.6 Adherence to NUSSL purchasing consortium rules must apply.

- 4.9 Any **personal or family interest**, which may impinge or might reasonably be deemed by others to impinge upon impartiality in any matter relating to purchasing duties must be declared:

4.9.1 To the Finance/General Manager

4.9.2 To the President if it concerns the Finance/General Manager

5.0 Control of Income

- 5.1 The Union raises **invoices** mainly for Freshers Fayre stalls, Freshers Mailing inserts, stalls, advertising space in the University and Union media. The following procedures apply for invoicing:

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- 5.1.1 Only the Finance/General Manager or their nominee can raise an invoice. An invoice requisition form must be completed by the relevant budget holder and normally the customer should complete either a booking form or supply an official order form or order number.
- 5.1.2 All prospective customers will be subject to an internal credit check before sales are made to them or advertisements accepted. The Finance/General Manager will keep a list of bad debtors, which is available on request.
- 5.1.3 Where possible, payment should be collected in advance of providing the service (e.g. prior to the Freshers Fayre or publication of an advert).
- 5.1.4 It is the responsibility of the Finance/General Manager or their nominee to follow up unpaid invoices on a monthly basis. Standard letters will be issued to debtors when an invoice is 30 days and 60 days overdue. The Finance/General Manager is responsible for drawing up standard letters.
- 5.1.5 If an invoice is not paid within 3 months, the Finance/General Manager will be informed to consider legal action.
- 5.1.6 The Finance/General Manager or their nominee will be responsible for deciding whether or not a sale attracts VAT and will clearly show this on the invoice.
- 5.2 The Union issues **booking forms /contracts** for a number of services, including Freshers Fayre stalls, Freshers mailing inserts, h20 adverts and other advertising and sponsorship opportunities. It is essential that these contracts, which may be legally binding, are drawn up with care. The following procedures apply in respect of contracts issued by the Union:

An appropriate staff member, normally the budget holder, must sign all booking forms /contracts. Specifically, contracts for most sales described above should be signed by the Membership Services Manager or their nominee.

- 5.2.1 Sabbatical officers should ensure that any contracts they deal with are checked by an appropriate staff member and counter-signed by a manager.
- 5.2.2 All contracts must include the following information:
- Name & address of customer (e.g. Nat West Bank)
 - Name of contact person (e.g. Jo Bloggs)
 - Telephone number and email address of contact (if applicable)
 - Service being provided (e.g. Freshers Fayre stall)
 - Details of service provision (e.g. 2 metre square space, 4 ft x 2 ft table)
 - Date service to be provided
 - Cost of service (£500)
 - VAT implications (+ VAT @ 17.5% = £87.50)
 - Payment conditions (e.g. payment in full prior to the Freshers Fayre)
 - Any other conditions or information required
 - "I have read and understand the conditions of the contract and agree to abide by its terms and conditions in full"
 - Signature on behalf of the Union and printed name of signatory
 - Signature on behalf of the customer and printed name of signatory
 - The Union is a separate legal entity from Bath Spa University

5.2.3 The Finance/General Manager should approve all contracts issued on behalf of the Students' Union in advance of distribution to potential clients.

5.3 Payments by **cheque** have certain associated risks. It is imperative therefore that the following procedures are adhered to:

5.3.1 Cheques will only be accepted for transactions of £5 or more and must be made payable to Bath Spa University Students' Union.

5.3.2 A valid cheque guarantee card must be produced and the card-number written on the back of the cheque. The banker's regulations relating to the use of the cheque guarantee card must be followed.

5.4 The majority of the Union's income is in the form of **cash**. A series of controls exist to control cash and ensure its security:

5.4.1 It is a condition of the Union's insurance that when cash is in transit, it must be accompanied by the following number of able bodied staff:

<i>Amount</i>	<i>number of staff</i>
Up to £2000	1
£2001 - £3000	2
£3001- £5000	3
over £5001	4

5.4.2 Most banking will be conducted by a security firm, which will collect cash from the Finance/General Manager on a regular basis, as determined by the Finance/General Manager.

5.4.3 A record of the amount of cash collected will be kept. This should be reconciled with till rolls by the department manager. Records of cash collection must also be provided to the Finance/General Manager who will reconcile the figure with bank statements.

5.5 The Union operates a number of **tills** in its service areas, which must be operated in accordance with the procedures detailed below:

5.5.1 All tills must be cashed up as soon after close of business as possible (normally the morning after) in accordance with the procedure below:

- A 'Z' reading will be taken from each till.
- All cash will be counted and the contents of the safe checked.
- The daily cash summary sheet will be completed and copies given to the Finance/General Manager at the end of each week.
- Any discrepancy over £5 from the till and safe reconciliation will be notified to the department manager immediately.
- Any discrepancy over £10 per till will be notified to the Finance/General Manager.

5.5.2 The amount of cash in each till must be closely monitored to ensure that unnecessarily large amounts of cash are not kept in vulnerable areas (i.e. tills). A maximum cash amount of £1000 per till will apply to each outlet, if a till goes over the limit, a Manager or Supervisor must remove excess cash to a safe.

5.6 The Union organises or is responsible for a number of **ticketed events**, including sports club & society events, "Balls". The sale of tickets for these events must be closely controlled, in accordance with the following procedures:

5.6.1 For events with a budget of more than £500:

- The Union must be notified 30 days in advance of any event that a Union society, club or any other grouping that comes under the Union's responsibility, is planning. The Union encourage more notice to be given, to ensure that the event is properly planned.
- A detailed budget for the event, including a realistic "break-even" point that is no more than 80% of capacity, must be provided at least 30 days in advance.
- Tickets for the event must be printed through an approved Union supplier and in accordance with Union security procedures. A record of ticket numbers will be kept by the Union and ticket sales will normally be through a Union Office. If tickets must be sold elsewhere, at least 2 people must be present at all times, one of whom must be a Union staff member or Sabbatical Officer.
- All cash/cheques from ticket sales must be returned to the Finance/General Manager with unsold tickets and ticket stubs. Finance/General Manager will reconcile money taken, tickets and ticket stubs. (See 7.4 for further information about cash floats).

5.6.2 For all events with a budget of less than £500:

- The Union must be notified 14 days in advance of any event that a Union society, club, or any other grouping that comes under the Union's responsibility, is planning. The Union encourage more notice to be given, to ensure that the event is properly planned.
- The appropriate staff member or sabbatical officer will determine other procedures for the organisation and running of the event.

5.7 The Union has **safes**, in each department, the Finance/General Manager will hold details of each safe and its cash limit. Department managers will be informed of the cash limit and security requirements of safes within their department.

5.7.1 In accordance with the Union's insurance conditions and as a security measure, keys or records of combination numbers to a safe must be kept in the custody of a responsible employee and must be removed from the premises at the close of business. The minimum number of people possible should have access to safe keys and combinations.

5.7.2 The maximum cash limit of a safe must be adhered to at all times.

6.0 Control of fixed assets and depreciation

6.1 Purchases that have a life expectancy of, and will provide benefit to the Union for, more than one financial period will be treated as **capital items** rather than written off to income and expenditure in the year the expenditure is incurred.

6.1.1 It is often difficult to decide whether expenditure on **improvements and repairs** should be capitalised as part of the original asset or as a separate category of fixed asset. The following points will be considered in determining whether to capitalise and depreciate accordingly any improvements or repairs:

- Will the expenditure significantly prolong the fixed asset's useful life beyond that conferred by normal repair and maintenance?
- Will the expenditure increase its capital value?
- Will the expenditure provide a substantial improvement in the quality of output or a reduction in the previously assessed operated losses?
- Will the expenditure increase the market value of the asset?

6.1.2 The Income and Expenditure account of the Union suffers a charge for the wearing out of all assets that last more than one financial period (**depreciation**). All capital expenditure will normally be depreciated according to the following rates:

<i>Type of expenditure</i>	<i>Years</i>
Building improvements	15
Office fixtures and fittings	5
Office Equipment	5
Minibus	5
Sports equipment	5
Computers and software	3
Disco	5
Bar fixtures & fittings	5
Bar equipment	5
Shop fixtures & fittings	5
Shop equipment	5

6.1.3 All depreciation will be based on "straight-line" depreciation, i.e. the cost of the asset is written off in equal instalments over the period of depreciation.

6.1.4 The Finance/General Manager will be responsible for deciding whether an item of expenditure should be treated as capital expenditure or not, and how it should be depreciated if appropriate.

6.2 All capital items will be entered onto the Union's **Fixed Asset Register**, which shall be maintained by the Finance/General Manager.

6.2.1 The Fixed Asset Register will record:

- Asset number
- Date of purchase
- Cost
- Depreciation rate applied
- Residual value
- Insurance value
- Anticipated replacement cost
- Anticipated replacement date
- Location
- Responsible staff member
- Description
- Serial number
- Service contract details

6.2.2 Each item to be entered onto the Fixed Asset Register must be accompanied by a Fixed Asset Register Addition Form

6.2.3 If it is necessary to dispose of an item that appears on the Fixed Asset Register, the Finance/General Manager must be notified in advance and a Fixed Asset Disposal Form must be completed.

6.3 Further to point 6.2 above, all portable items (furniture, electrical equipment, telephones, computer hardware, sports equipment, etc.) that have a value of more than £150 will be recorded in the Union's **Equipment Inventory**.

6.3.1 All items on the Equipment Inventory will be marked with "Property of Bath Spa Students' Union". All items on the Fixed Assets Register will have a barcode label attached.

6.3.2 Each item on the inventory will be the responsibility of a Union manager, who shall be held accountable for the item's security. Normally, items on the inventory will be assigned to a manager using the following table:

<i>Location of item</i>	<i>Manager</i>
Shop	Shop Manager
Newton Park Bar	Bars Manager
Sion Hill Bar	Bars Manager
Newton Park Office	Membership Services Manager
Sion Hill Office	Membership Services Manager
General Union Equipment	Membership Services Manager
Clubs/Society Equipment	Membership Services Manager
Other	Finance/General Manager

6.3.3 The Finance/General Manager will conduct an annual review of equipment against the Equipment Inventory.

6.4 Every Officer, appointee, or member of staff of the Union may be entitled to be **indemnified** out of the assets of the Union against losses or liabilities that he/she may sustain or incur in or about the execution of her/his office, or otherwise in relation thereto. No such person shall be liable for any loss, damage or misfortune that may happen to, or be relation thereto, provided that nothing in the clause shall affect his/her liability for the consequence of any negligent act of her/his part.

7.0 Control of stock and floats

7.1 All **stock** will be the responsibility of the appropriate department manager, who will ensure that stock is secure, accounted for, stored safely and is rotated appropriately. Department managers will also ensure that stock levels are appropriate for the time of year and that agreed minimum levels of stock are held at all times.

7.1.1 All licensed trade stock will be subject to a termly **stock-take** by an external company.

- It is the responsibility of the Bars Managers to ensure that the stock-taker has all relevant information.
- The Bars Manager his/her nominee should agree the stock-take report for the Venue before the stock-taker leaves the premises.
- All stock will be entered onto the EPOS system as soon after delivery as possible. Weekly manual counts of sample lines and a full stock check at

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- least once a year, will be co-ordinated by the Bars Manager to ensure that the EPOS system stock figures are accurate.
- 7.1.2 All retail stock will be entered onto the stock control book as soon after delivery as possible. Weekly manual counts of sample lines and a full stock check at least once a year, will be co-ordinated by the Shop Manager to ensure that the stock control book, stock figures are accurate.
- 7.1.3 Any Office stock will be counted at the end of the financial year.
- 7.2 **Stock 'write-offs'** should occur rarely, as systems will be in place to rotate stock and ensure that orders reflect demand. However, on occasion it will be necessary to 'write-off' stock, due to perishable goods passing their sell-by date or stock being damaged. The following procedure will apply to all stock write-offs:
- 7.2.1 The Department Manager must authorise all stock write-offs and investigate the cause of the write-off
- 7.2.2 The Department Manager must inform the Finance/General Manager of all write-offs
- 7.2.3 The Finance/General Manager will ensure that write-offs are accounted for separately and are monitored by Senior Management Team
- 7.3 A degree of **wastage** is inevitable **in licensed premises**. Some of the reasons for wastage in licensed premises include: ullage from draft beers/cider; broken bottles; incorrect spirits poured; customers walking off without paying. It is essential that this wastage is carefully controlled, recorded and monitored, in line with the following procedures:
- 7.3.1 Wastage (apart from ullage) will be recorded at the end of each night, with an explanation as to the cause of the wastage.
- 7.3.2 The nightly sheets will be filed and presented to the stock-taker.
- 7.3.3 Ullage will be measured at the end of each night, recorded and filed and presented to the stock-taker.
- 7.4 **Floats** float holder will be nominated for each float, who will be accountable for the float. The float holder will sign the float out and back in. Finance/General Manager will keep a record of all floats.
- 7.4.1 **Till floats** must be stored in a safe when not in use. The Finance/General Manager must approve an increase in the float amount.
- 7.5 The General Office at Newton Park has a **Cash float** to hold and control a small amount of cash (Cash Float) for supplying change for the shop and bars and filling the change machines. The Cash Float is controlled by the following procedures:
- 7.5.1 The Cash Office Float is £3000.
- 7.5.2 At the start of each working day, anything over £3000 will be transferred into the general office account or the float will be topped up to £3000.
- 7.5.3 Whilst the Cash float is open, there must be one staff member in the office or the Cash Float must be locked and the office door locked.

- 7.5.4 When not open, the Cash Office Float must be stored in the Finance/General Managers safe.

8.0 Insurance

- 8.1 The Finance/General Manager shall affect all **insurance cover** necessary for the safe and secure running of the organisation and negotiate all claims in consultation with other staff and officers as necessary.
- 8.2 Staff and/or Sabbatical Officers shall give prompt notification to the Finance/General Manager of all **new risks** or properties that require to be insured and of any alterations affecting existing insurances.
- 8.3 Staff and/or Sabbatical Officers shall notify the Finance/General Manager immediately of any **loss, liability or damage** or any event likely to lead to a claim.
- 8.4 All appropriate **employees** of the Union shall be included in suitable fidelity guarantee insurance.
- 8.5 The Finance/General Manager shall annually, or at such other period as he/she may consider necessary, **review** all insurances in consultation with appropriate managers and/or Sabbatical Officers as appropriate.

9.0 Transfers between departments

- 9.1 Goods or services are often transferred between departments, for example, the Shop provide food for acts for the bar; stock may be transferred between the Newton Park Bar and Sion Hill Bar. It is essential that these goods and services are properly accounted for and charged to the appropriate budget.
- 9.2 For all goods or services that are transferred between departments, the department supplying the goods or services must:
- 9.2.1 Ensure it has been given a budget heading that will be charged for the goods/services, by the department receiving the goods/ services.
- 9.2.2 That at the end of each month the relevant department is charged for the goods/services under the relevant budget heading to be charged. This should be done by internal invoice detailing the nature of goods or services provided, the value of goods provided, the budget heading to be credited, the budget heading to be debited. Invoices must include VAT.
- 9.2.3 The invoice should be given to the Finance/General Manager who will process the invoice and pay the department for the goods/services.
- 9.3 For transfers involving the Bars, records must be presented to the Stock-taker.

10.0 Staffing

Further details of any staffing issues can be found in the staffing policies and procedures.

- 10.1 Staff are employed on one of three bases:

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- 10.1.1 **Permanent staff** have no time limit on contract and are paid monthly. Some permanent staff are on annualised hours contracts, some work part-time and some work term-time only.
- 10.1.2 **Fixed term contract staff** (“Student Staff”) are employed annually to work. Usually employed from September until June usually term time only. They are paid weekly in arrears on an hourly rate. The Senior Management Team determines their wage on an annual basis.
- 10.1.3 **Casual staff** include temporary staff or fixed term contract staff employed on conditions different to those of 10.1.2 above.
- 10.2 Salaries and wages constitute the largest single cost to the Union each year. It is therefore essential that staff costs be carefully controlled. As such, strict procedures are in place for “**Starters**” and “**Leavers**”, as shown below:
- 10.2.1 No new **permanent** member of **staff** may be added to the pay roll without approval of the Finance/General Manger.
- 10.2.2 **Student Staff** may be added to the pay roll by:
- The Shop Manager for Shop staff.
 - The Bars/Events Manager for Bars and Events staff.
 - The Membership Services Manager for all other areas.
- 10.2.3 Managers must inform the Finance/General Manager within 3 working days of any leavers, so that **loans** can be recovered and the Pay Office notified.
- 10.2.4 The Membership Services Manager will be responsible for ensuring that procedures are in place to ensure that **leavers** return all Union property, including keys, equipment, clothing, floats and electronic information and data.
- 10.3 The Union operates two staff payment systems. All permanent staff are paid through the University Pay Department, by BACS. All Fixed term contract staff and sundry staff are paid on a weekly basis through the Unions own payroll system. See 10.1.2
- 10.3.1 The Finance/General Manager will check the monthly permanent staff salary report each month; the report must be signed if it is accurate and a copy of the signed form kept on file for the rest of that financial year.
- 10.3.2 Staff not paid via BACS (mainly student staff) will be required to complete a weekly time sheet. The weekly time sheets will be checked by the Department Manager and forwarded to the Finance/General Manager who will prepare the wage packets and prepare a weekly wage report for the Department Manager. A copy of the signed form kept on file for the rest of that financial year. Department Managers should ensure that staff members sign for their wage packet and this record is forwarded to the Finance/General Manager.
- 10.4 All permanent and fixed term contract staff will be eligible for the Union **pension scheme**.
- 10.4.1 The Membership Services Manager will be responsible for discussing the scheme with all new permanent staff and completing all relevant documentation.

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- 10.5 Staff and officers of the Union will on occasion have to travel on Union business and may have to spend a night(s) away from home. The following will apply to the payment of **allowances in respect of travel, meals and subsistence**:
- 10.5.1 Officers and staff should, wherever possible, use public transport and utilise the cheapest available tickets.
- 10.5.2 Where travel by car is the cheapest or most convenient method of transport, mileage rates areas detailed in the Staffing Procedures.
- 10.5.3 Officers or staff, who choose to travel by car rather than public transport, will be reimbursed at the appropriate rail fare.
- 10.5.4 Air travel will not normally be reimbursed, unless it can be demonstrated that this is the cheapest form of transport, or the Finance/General Manager grants permission.
- 10.5.5 For overnight stays, the Union will normally book bed, breakfast and evening meal and pay on receipt of an invoice. The Union will pay a £5 subsistence allowance for each night away from home.
- 10.5.6 Approval for all expenditure detailed in 10.5 above must be obtained in advance from the Finance/General Manager.

11.0 Financial reporting & storage of financial information

- 11.1 The Union is obliged by law to present **financial information** to Statutory Bodies, the University, and Union members. Accurate financial information is also essential to the management of the organisation. In order to ensure that accurate financial information is provided, budget holders must adhere to the procedures contained in this document and to other procedures introduced as necessary.
- 11.2 The Finance/General Manager will produce **annual accounts**, which will be audited and signed off by the Union's Auditors. The approved accounts will be presented to the University as soon as they have been signed off and to the Union's members at the Union Council in May each year (this will also be the General Meeting of the Union).
- 11.3 The financial year will be divided into 4 "**accounting periods**", in line with the 4 vat periods of the year. At the end of each accounting period, the Finance/General Manager will produce "management accounts".
- 11.3.1 Management accounts will detail all income and expenditure up to the end of the period. They will also show any variance against the budgeted period end figures and a projected year-end figure for each individual budget heading and for the Union as a whole.
- 11.3.2 All budget holders will have to explain in writing any variance between budgeted and actual figures and identifying any necessary action.
- 11.3.3 The written explanations for the period end figures for the Union will be presented to the next meeting of the Senior Management Team for discussion. Any adjustment to budgets will be made at the next meeting of the Board of Trustees.

- 11.4 The Finance/ General Manager will produce monthly sales figures against budgeted sales figures for all trading outlets. These will be distributed to budget holders, Membership Services Manager and President and any significant variances discussed by the Senior Management Team and the Board of Trustees.
- 11.5 The Union is obliged by law to store all **financial “source” documentation** for a period of 6 years. The Finance/General Manager will be responsible for ensuring that all relevant documentation is stored appropriately.
- 11.6 The Finance/General Manager will produce a monthly financial report for each main area and the Union as a whole, and present it to the Senior Management Team and the Board of Trustees.
- 11.6.1 The report should take account of all finances including outstanding creditors and debtors, as well as looking at budgeted figures.
- 11.6.2 Any significant variances should be discussed by the Senior Management Team and reported to the Board of Trustees.

12.0 Budgeting

- 12.1 Accurate and realistic budgeting is essential to good financial management and the proper management of the Union.
- 12.2 **Preparation** of the annual budget will be in accordance with the following principles:
- 12.2.1 Preparation will begin in February each year, with an initial draft budget ready by the start of the Easter vacation. “Zero-based budgeting” principles will be used, but reference to actual results for the current and previous year will be made.
- 12.2.2 In order to calculate increases in income and expenditure for budgeting purposes, reference to the Retail Price Index should be made. At the time of writing, the following percentage increases have been used for budgeting purposes:

NUS Affiliation Fee	2.5%
Staffing costs	3.5%
Insurance	10%
Cleaning	3.5%
Building rent charges	As detailed in lease agreements
Utilities	3.5%
Stocktaking	3.5%
Cash security	2.5%
All other costs	2.5%

- 12.2.3 The Block Grant from the University will be agreed with the University Board of Governors in June each year, for the next academic year.
- 12.2.4 Budget holders will be asked to present a draft of their budgets to the Finance/General Manager who will, in conjunction with the Membership Services Manager and the President, compile the budget. These first drafts should be produced using weekly and/or monthly projections for the forthcoming year.

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- 12.2.5 The draft budget will go to the Senior Management Team and the Board of Trustees for approval and then to Annual General Meeting The draft budget will also be presented to the University.
- 12.3 The **format of the budget** should ensure that the financial information it contains is accessible to staff, officers and students. It should also provide managers and sabbatical officers with a level of detail that aids decision-making. As such, the format of the budget will be subject to revision. The current format is shown in the Budget Guidelines that are circulated at the start of each financial year.
- 12.4 **Performance against the budget** will be monitored on a monthly basis as detailed under 12.3 above. The budget will also be revised after period 6 (end of January) management accounts have been produced.
- 12.5 Budget holders will receive **training** in financial management including budgeting.
- 12.6 The Union will also produce a **5-year strategic budget**, which will be revised on an annual basis. The same principles for producing the annual budget will be followed.
- 12.7 The Union will produce an annual **cash flow forecast**.

13.0 Clubs and Societies

- 13.1 All Union clubs/societies are subject to the **Constitution, policies, procedures and regulations** of the Union, which may be revised from time to time.
- 13.1.1 Clubs and Societies should pay particular attention to the Clubs and Societies' Handbook, which provides further details of the systems in place governing finances, trip/event organisation, health & safety, equipment and assets.
- 13.2 Club/Society executive officers as elected in accordance with the Union Constitution, will be **responsible for the finances** of their club/society.
- 13.3 All **financial transactions** relating to a Students' Union club/society must be directed through the Union Office Manager to the Finance/General Manager. No club/society shall hold a bank account; no club/society finances should be directed through a bank account other than those of the Students' Union.
- 13.3.1 Any person acting in breach of these financial procedures may be liable to criminal prosecution and/or liable for monies owed and/or liable to disciplinary action under the Students' Union Disciplinary Procedure.
- 13.3.2 All financial transactions for clubs/societies will be in accordance with the financial procedures detailed above.
- 13.4 The Students' Union shall ensure that all clubs/societies have access to **training**, covering the Union's financial procedures, managing a budget, fundraising, etc.
- 13.5 The Board of Trustees shall agree the funding mechanism yearly for allocation funds to clubs & societies.
- 13.5.1 Clubs/societies shall not be allowed to spend in excess of their budget without authorisation; they may request additional funding from the Senior Management Team or the Board of Trustees.

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- 13.6 All **income** shall be paid into the Students' Union as soon as possible after collection by the club/society.
- 13.6.1 Membership fees shall be collected by all clubs/societies, unless the appropriate decision-making body specifically exempts them.
- 13.6.2 Membership fee levels shall be determined by the club/society, within boundaries set by the Board of Trustees.
- 13.6.3 All other income, e.g. from sponsorship or fundraising events, must be directed through the Students' Union.
- 13.7 All **events** (including entertainment) organised by a club/society, on behalf of a club/society, or for the benefit of a club/society, represent a Students' Union activity. As such, the Union is legally and morally responsible for such events. All such events:
- 13.7.1 Must be organised in accordance with Students' Union policies, procedures and regulations.
- 13.7.2 Must be discussed with the appropriate Students' Union staff member or officer in advance.
- 13.7.3 Must take special note of Health & Safety legislation and best practice.
- 13.7.4 Must ensure the financial security of the club/society and Students' Union.
- See 5.6 above for further information regarding events organisation.
- 13.8 Many clubs/societies will make use of **equipment**. All equipment remains the property of the Students' Union. The use of such equipment is on condition that:
- 13.8.1 The club/society keeps an inventory of all equipment in their possession.
- 13.8.2 The club/society assures the safety of all equipment in their possession.
- 13.8.3 The club/society assures the security of all equipment in their possession.

14.0 Treasury Management

- 14.1 The security of Union funds is the highest priority and the Board of Trustees must ensure the minimum level of liquidity is maintained.
- 14.2 Given the above, the investment objective is to optimise returns to the Union while meeting the overriding need to protect the capital sum and ensure the liquidity of the Union. The primary form of investment for the Union is fixed bonds, which have a guaranteed return. All other funds are kept in bank accounts to ensure the maximum return possible with no risk.
- 14.3 No investment should be made without a thorough investigation of the possible investment and the risks involved, this includes all forms of bonds. The Finance/General Manager should report the findings to the Board of Trustees before they agree to any investment.
- 14.4 The Finance/General Manager shall be responsible for ensuring adequate systems and information backup are in place to satisfy auditors.

- 14.5 The Board of Trustees must authorise all transfers from the reserve account to bonds and investments. The Finance/General Manager will be responsible for ensuring the agreed action is undertaken.
- 14.6 The successful management and control of risk should be uppermost, all possible care should be taken to ensure the safety of Union funds. No investment should be made without a thorough investigation of the possible investment and the risks involved, this includes all forms of bonds.
- 14.7 The Board of Trustees needs to know what is been done on their behalf. The Finance/General Manager shall produce quarterly reports for the Board of Trustees explaining how Union investments are performing.
- 14.8 The Finance/General Manager shall report to the Board of Trustees annually on:
- a. the performance of treasury operations for the year,
 - b. cash flow compared with budget, and comment on variances,
 - c. finance strategy for the next financial year,
 - d. proposed amendments to the treasury management procedures