

Memorandum of Understanding between the University of Salford and the  
University of Salford Students' Union

## **1. Introduction**

This Memorandum of Understanding sets out the relationship between the University of Salford and the University of Salford Students' Union with respect to financial matters and in particular the terms under which the Union receives the annual grant or 'allocation' from the University. The Education Act 1994 Pt II imposes upon University governing bodies certain responsibilities to ensure appropriate organisation and accountability of Union. This Memorandum outlines the ways in which the Union will make itself accountable to the Governing Body of the University under the terms of the 1994 Education Act pt2.

The University of Salford Students' Union is an independent body currently established as an unincorporated association with charitable status and is recognised as the body through which the student voice is formally represented to the University.

## **2. Definitions**

"University"	means the University of Salford
"Union"	means the University of Salford Students' Union
"Constitution"	means the Constitution of the Union
"Council"	means the Council of the University (here after referred to as the Council)
"COO"	means the Chief Operating Officer of the University
"Financial Year"	means 1 <sup>st</sup> August to 31 <sup>st</sup> July or as otherwise determined by the University
"Grant"	means the sum of money agreed annually by the University and the Union to fund services that the USSU provides to the students of the University.
"Trustees"	means the Board of Trustees of the Union
"Chief Executive"	means the Chief Executive of the Union
"Chief Financial Officer"	means the University's Chief Financial Officer or Executive Director of Finance, whichever term is current.

## **3. Scope of the Memorandum of Understanding**

- 3.1 This Memorandum outlines arrangements pertaining to the operation of the Union, including the Union's finances, constitution, and communication and reporting between the University and the Union including any subsidiary which is or may in the future be established by the Union. This memorandum will operate as the 'Code of Practice' required by section 22.4 of the Education Act 1994.
- 3.2 The purpose of this Memorandum is to establish and maintain positive working relationships between the University and the Union for the benefit and well-being of the students of the University.

#### **4. Relationship Between the University and the Union**

4.1 The University's Charter (section 10) provides for the establishment of a students' union of the University

4.2 The objects of the Union as set out in its constitution are the advancement of education for students at the University for the Public Benefit by;

4.2.1 Promoting the interests and welfare of students at the University during their course of study and representing, supporting and advising students;

4.2.2 Being the recognised representative channel between students and the University and any other external bodies;

4.2.3 Providing social, cultural, sporting and recreational activities and forums for discussion and debate for the personal development of students.

4.3 The University recognises the Union as a self-governing and autonomous body. The Union is acknowledged in law as a distinct, separate and independent legal entity. The Union is also recognised by the University under the Education Act 1994 as the sole representative body of the students registered at the University.

4.4 The University recognises and welcomes the important role of independent advocacy provided by the Union in representing, advising and supporting students who are utilising the student facing procedures or who are the subject of disciplinary action.

4.5 The Union and its representatives agree to act within the law, to protect and uphold the University's reputation and that of the Union.

4.6 Both parties recognise the University's obligations under law to supervise and oversee the fair running and accountability of the Union.

4.7 The Union may operate legitimate trading and franchise rental activities in the University consistent with its objects and constitution. These services shall be included within any annual financial and strategic plan that may be submitted to the University.

4.8 The Union may enter into external partnerships as required by its business plans provided that no tenancy rights are granted, and no rights of a partner are extended to any assets of the Union or the University, without the written prior approval of the University. In addition the Union recognises that the University has a valid interest in any potential partnership that may impact upon its image, reputation or security. The Union must consult with the University in all circumstances that may give rise to such a situation.

4.9 The Union may use any financial surpluses to support its aims or to fund the development of new or existing services or activities, or to build the Union's operating reserves.

4.10 The University of Salford Title and logo are registered trademarks in categories that include, for example, promotional and souvenir items. The Union may continue to make use of these images and title subject to the following criteria:

- 4.10.1 All designs and uses being consistent with the University's guidelines on logo usage;
  - 4.10.2 All designs, uses, and items should be appropriate to the University's academic reputation and standing;
  - 4.10.3 All designs and uses for commercial purposes must be approved in writing by the University's Research & Enterprise Department and Marketing & Student Recruitment Directorate, whose decision, acting reasonably, will be final.
- 4.11 The Union has full responsibility for appointing and managing its staff and such staff will formally be employees of the Union. Union staff shall be employed on the terms and conditions of employment as deemed appropriate by the Trustees,
  - 4.12 The Trustees shall be responsible for all matters relating to the employment, appointment, supervision and dismissal of staff.
  - 4.13 The University will be consulted regarding the terms, conditions and recruitment of the Union's most senior member of staff, normally the Chief Executive. The University will normally be invited by the Trustees to add a member of its senior management team to any interview panel for the senior staff post in the Union.

## **5. Constitution**

- 5.1 In compliance with section 22 of the Education Act 1994 pt2, the Union shall have a written constitution which is reviewed and approved by the Council at intervals of no more than five years.
- 5.2 The Union shall manage its affairs in accordance with that constitution.
- 5.3 No amendment to or rescission of that constitution, in part or in whole shall be valid without the approval of the Council.

## **6. Membership**

- 6.1 All registered students of the University and all of the sabbatical officers of the Union shall automatically become members of the Union.
- 6.2 Every student shall have the right during the period of 10 days following registration in each academic year to opt out from Union membership. A decision to opt out shall hold good for the remainder of that academic year. It is the responsibility of the student to inform the Union in writing of his/her wish not to be a member of the Union. The Union must inform the COO of the student's decision in writing within 10 working days of the decision to opt out.
- 6.3 The Union shall provide services to opted-out members, including access to advisory and welfare services, clubs or societies. Opted-out members shall **not** be entitled to participate in Union affairs such as attending General Meetings, voting or standing in Union elections. Opted-out members shall **not** be entitled to participate as officers or committee members in the decision-making processes of Union clubs or societies. Opted-out -members shall not be entitled to hold student representative positions normally filled via the Union.

## **7. Management and Accountability**

- 7.1 The Union is responsible for complying with all laws relating to its operations and activities including Building Regulations, the Bribery Act, Food Safety, Data Protection, Copyright, Environmental Protection, Charities, Licensing, Education, Employment, Equal Opportunities legislation and the Statutes, Ordinances and Regulations of the University. University Officers will provide on request advice necessary to facilitate compliance.
- 7.2 The Union shall comply with the requirements of the Health and Safety at Work Act. The Chief Executive, or his or her nominated deputy, will also be the Safety Officer for the Union, advising the Union Trustees as appropriate. The University Safety Officer will advise the Union on Health and Safety matters.
- 7.3 The Union will immediately inform the COO of any legal proceedings taken or proposed by or against the Union or its officers.
- 7.4 As part of its governance arrangements the Union's Election Regulations provide for there to be an Independent Returning Officer to be responsible for the oversight of the Union's electoral processes. The Union will ensure that the details of the appointed person are shared with the University, noting the University's responsibility to ensure that elections have been conducted in a manner consistent with free, fair and open electoral systems.
- 7.5 The Union is obliged to maintain a register of members in order to comply with Company and Charity Law. It is agreed that access to the register be enabled for all and any appropriate persons or organisations (including the COO).
- 7.6 The Union shall notify itself to the Information Commissioner as a data controller under the terms of the Data Protection Act and shall ensure it is compliant in all respects of the Act. In recognising the co-operation of the Union and University, and the shared constituencies, both parties have explicitly identified the other as data recipients for the purpose of information sharing. Both parties will therefore work together to ensure that they have the most up to date and complete data and insight for the provision of the best experience and communication with students.
- 7.7 The University will inform students during registration that data will be shared with the Union. The Union shall inform its members and employees that data will be shared with the University.

## **8. Finance**

### **Payment of Grant**

- 8.1 The University recognises the value of the Union having the autonomy to manage its own affairs and to respond to the views and priorities of its members. In order to facilitate this independence, the University shall provide the Union with an annual Grant each year. The amount of the grant will be determined by the University in consultation with the Union. These deliberations will be concluded by 1 June each year and ratified by Council as part of the approval of the University annual budget, subject to any rules and guidelines set out by HEFCE.

In ratifying the value of the grant for the year ahead, the Council shall consider some or all of the following that may be relevant at the time of its consideration:

- The allocation of funds in the previous financial year
- The Union's three year strategic plan, three year financial forecast, and draft budget (including estimates of income and expenditure) for the year ahead.
- Any projected changes in the University's annual income and expenditure.
- Annual inflation/deflation in the wider economy
- Any expected change in the number and status of registered students during the coming year
- Any representations made by the Union for any grant funding increase which is accompanied by a reasoned business case
- Any other factors deemed relevant by the University.

8.2 Payment of the grant will be made in instalments, the frequency of which will be determined by the Chief Financial Officer following consultation with the Union. Currently the allocation is paid in monthly instalments.

8.3 In addition to the block grant, the University may consider the Union as a potential supplier in the delivery of services to students that will enhance their experiences. To this end, the University may invite the Union to tender for projects or initiatives that fit with the Union's mission, purpose and capabilities, or to sub-contract areas of externally funded projects that fall with the Union's strengths and competencies.

8.4 The University reserves the right to offset any debts owed to it by the Union against the grant.

8.5 In the event of breach of this Memorandum by the Union, the University reserves the right to withhold any part of the grant for a period of time that the University shall decide at its own discretion.

## **9. Financial Management, Accounting and Reporting**

9.1 The University is required under the Education Act 1994 to take such steps as are reasonably practicable to secure that the Union is accountable for its finances, and that the financial affairs of the Union are properly conducted, as well as ensuring that arrangements exist for the approval of the Union's budget and the monitoring of its expenditure by the University.

9.2 The Union shall maintain its own bank account(s) and financial records. The Union will be responsible for preparing its own financial statements.

9.3 The Union is responsible for maintaining their insurance arrangements including public liability, property and contents insurance and in making these arrangements may call upon the expertise and advice of relevant University officers and in any event will inform the University that arrangements have been made.

The Union will comply with the Union's Financial Regulations in place, which are approved by the Trustees, ratified by the Student Council and submitted to the Chief Financial Officer

- 9.4 As outlined in 8.1 above, the Union shall prepare a three year Strategic Plan and financial forecast for the year ahead, including estimates of income and expenditure. This will be submitted to the University by 1 May each year.
- 9.5 On notification of the grant, the Union will confirm its budgets for the coming financial year, and once ratified by the Union's Board of Trustees, submit a copy to the University's Chief Financial Officer.
- 9.6 The Union shall submit quarterly statements of income and expenditure to the Chief Financial Officer, for information purposes only.
- 9.7 The Union's financial reports should in particular include details of donations made to external organisations
- 9.8 At each year's end, the Union shall produce accounts which are audited by a suitably qualified external firm of auditors. These year end accounts must be forwarded to the University's Executive for information.
- 9.9 The University reserves the right to instruct its internal auditors at any time to review the Union's account for the purposes of determining that the allocation has been used for the purposes for which it was given and the adequacy of financial records and controls.
- 9.10 The procedure for distributing resources to clubs and societies, as well as all financial reports prepared by the Union should be made freely accessible to all students.

## **10. Information**

- 10.1 The Union should submit the current list of affiliations to its members for approval on an annual basis
- 10.2 The Union is obliged to provide any information to the COO when requested to allow the University to discharge its responsibilities in respect to the use of public funds.
- 10.3 The Union is obliged to inform the COO where any action or policy under consideration may be in breach of the Education Act (1994), the Charities Act (2011) or any other law of statute.
- 10.4 The Union is obliged to inform the COO if ever they have reason to believe that any of the funds of the Union have been misappropriated or subject to a fraud, or any of the following has or may have occurred:
  - 10.4.1 Expenditure which is or may be considered as being *ultra vires* to the Union's stated aims and objectives;
  - 10.4.2 Expenditure contrary to the charitable status of the Union;
  - 10.4.3 The possibilities exist that the Union or any of its subsidiaries have insufficient funds to meet recurring liabilities;

10.4.4 Events which may threaten the overall financial stability of the Union.

10.5 The COO shall have the right to liaise directly with individual members of the Union senior staff, or Trustees to obtain information on any aspect of the Union's financial or operational management which may be significant to the University.

## **11. Matters Requiring Approval of the University**

The Union shall not, without the prior written consent of the University:

11.1 Create any fixed or floating charge over the whole or any part of the assets or property of the Union.

11.2 Make a loan or advance or give any credit to any person except for the purpose of making deposits with bankers.

11.3 Make any donations or payments to persons or bodies outside the Union except for subscriptions to national and regional student or sporting bodies approved by the relevant constitutional mechanism, or payment for supplies or services rendered, excluding monies raised by Student Activity Groups or the Union itself for local and national charities.

11.4 Give any guarantee or indemnity to secure the liabilities or obligations of any person except when covered by an adequate insurance policy.

11.5 Sell, lease, transfer, assign, or otherwise dispose of any of the Union's assets or property valued at more than £50, 000.

11.6 Take or agree to take any leasehold interest in or licence over any land.

11.7 Do or permit or suffer to be done any act or thing whereby the Union may be wound up (whether voluntarily or compulsorily) save as otherwise expressly provided for in this agreement. The University recognises the right of the Union, as provided for in its constitution for its members (via a general meeting or referendum) to authorise the transfer of the assets and liabilities of the Union to a limited liability entity established for exclusively charitable purposes with the same or similar objects, and to dissolve the Union at any time following the transfer if it is considered appropriate to do so. The Union is required to notify the University of any Proposal to authorise transfer of assets and liabilities to a limited liability entity or dissolve the Union following transfer and shall provide further information to the University of any such proposal.

11.8 Acquire, purchase or subscribe for any shares, debentures, mortgages or securities in any company, trust, or other body, except NUS, NUS Services Limited, any future NUS enterprise or any wholly owned subsidiary of the Union.

## **12. Communications with University Management**



- 12.1 The Vice-Chancellor, COO or Pro-Vice-Chancellor Academic or their nominated University's representatives will meet formally with the Union's Sabbatical Officers and the Chief Executive at the start of Semester One so that each party may outline objectives and set out plans for the coming year.
- 12.2 The COO and Chief Financial Officer or their nominated representative will meet regularly with the Union's Sabbatical Officers, Chief Executive Officer and Finance Director of the Union no less frequently than every three months to review the financial performance of the Union and discuss matters of mutual interest.
- 12.3 The Vice-Chancellor or his/her nominated representative may request a meeting with the Sabbatical Officers and/or appropriate senior staff members of the Union at any time as necessary. The Union's Sabbatical Officers and/or appropriate senior staff members may similarly request a meeting with senior University managers as necessary.
- 12.4 The Union will have the right to full representation on any University Committee relating to academic provision or student support issues as laid down in the constitution of Senate.
- 12.5 The Vice-Chancellor, COO and/or Chief Financial Officer or their nominated representatives may request a meeting with some or all of the Trustees, without the Chief Executive Officer being present, as necessary.

### **13. Disputes and Complaints Procedure**

- 13.1 In the event of a dispute arising between the University and the Union regarding any matter, both parties will endeavour to seek a solution through negotiation between senior University officials and those of the Union with the authority to settle said dispute.
- 13.2 If the matter cannot be resolved amicably through negotiation within a reasonable period of time, both parties will by mutual consent appoint a single arbitrator to resolve the issue.
- 13.3 In the event of a complaint by a student or group of students against the Union, due either to dissatisfaction with services provided, or due to perceived disadvantage experienced as a result of exercising their right to opt out of Union membership, the Union will undertake to have in place appropriate procedures to handle that complaint where informal means fail to find a resolution to the issue.
- 13.4 Complaints should be dealt with promptly and fairly, and where a complaint is upheld, there should be an appropriate and effective remedy.

### **14. Revision and Termination of Memorandum**

- 14.1 Either party may from time to time and after consultation and agreement with the other party, revise, revoke or add to this Memorandum or any of its conditions.
- 14.2 This Memorandum may be terminated should one or more of the following occur:
  - 14.2.1 The University gives six months' notice to terminate this Memorandum; or

- 14.2.2 Either party commits a material breach of its obligations under this Memorandum and, in the case of a breach capable of remedy failing to remedy the same within 21 days of being specifically required in writing to do so by the University; or
- 14.2.3 Any distress execution sequestration or other process being levied or enforced upon or sued out against the property of the Union which is not discharged within ten days; or
- 14.2.4 The inability of either party to pay its debts in the normal course of business; or
- 14.2.5 Either party ceasing or threatening to cease wholly or substantially to carry on its business otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other Party (such approval not to be unreasonably withheld); or
- 14.2.6 Any person having a legal claim taking possession of or a receiver or trustee being appointed over the whole or any part of the undertaking property or assets of the Union; *or*
- 14.2.7 The making of an order or the passing of a resolution for the winding up of either party, otherwise than for the purpose of a reconstruction or amalgamation without insolvency previously approved by the other party (such approval not to be unreasonably withheld).