



Lancaster University Students' Union

FINANCIAL REGULATIONS

Updated November 2016

Approved by Trustee Board 6 January 2017

Appendix A : Updated May 2017

Updated 1st August 2017 – on Incorporation

CONTENTS:

A: GENERAL

1.	INTRODUCTION	5
2.	SCOPE	5
3.	RESPONSIBILITIES	6

B: CORPORATE GOVERNANCE

4.	SCHEDULE OF FINANCIAL DELEGATIONS	7
5.	RISK MANAGEMENT	7
6.	WHISTLEBLOWING / RAISING CONCERNS AT 'WORK'	8
7.	FRAUD, CORRUPTION AND OTHER FINANCIAL IRREGULARITIES	
	7.1 Definitions	9
	7.2 Principles	9
	7.3 Reporting	9
	7.4 Investigation of Suspected Irregularity	10
8.	CODE OF CONDUCT	
	8.1 Principles	10
	8.2 Conflicts of interest	10
	8.3 Giving Gifts and Hospitality	11
	8.4 Accepting Gifts and Hospitality	12
9.	VALUE FOR MONEY	12

C: FINANCIAL MANAGEMENT AND CONTROL

10.	ACCOUNTING ARRANGEMENTS	
	10.1 Financial Year	13
	10.2 Format of the Financial Statements	13
	10.3 Record Keeping	13
	10.4 Value Added Tax (VAT)	13

11.	FINANCIAL PLANNING	
	11.1 General	14
	11.2 Budget Setting Process	14
	11.3 Budgetary Control	14
	11.4 Financial Information	15
12.	AUDIT REQUIREMENTS	
	12.1 External Audit	15
	12.2 Internal Audit	15
13.	BANKING ARRANGEMENTS	16
14.	INCOME	
	14.1 General	17
	14.2 Invoicing & Collection of Debts	17
	14.3 Tills	18
	14.4 Cash & Cheque Receipts	18
	14.5 Ticket Sales	18
	14.6 Union Cloud – Digital Receipts	19
15.	EXPENDITURE	
	15.1 General	19
	15.2 Authorised Signatories	20
	15.3 Ordering Goods and Services	20
	15.4 Contracts	21
	15.5 Payment of Accounts	21
	15.6 Buying on line / Credit Card payments	23
	15.7 Tenders and Quotations	23
	15.8 Advance Payments	24
	15.9 Reimbursement of Expenses	24
	15.10 Petty Cash and Floats	27
	15.11 Fair Allocation of Resources	27
	15.12 Ultra Vires	28
16.	PAYROLL	28
17.	ASSETS	
	17.1 Budget Holders Responsibilities	29
	17.2 Loan/ Disposal of Union Property	29

17.3	Loss / damage of Union Property	29
17.4	Use of Union 'Space ' Facilities	29
17.5	Capital Expenditure (Fixed Assets)	29
17.6	Stock	30
18.	JCRS & PG BOARD	
18.1	General	31
18.2	Financial Reporting	31
18.3	Social Events	32
18.4	College Involvement	32
18.5	Purchase Ordering	33
18.6	Reimbursement of Expenses (Payment Claims)	33
18.7	Equipment	33
18.8	Alcohol, Quizzes and Gifts	33
19.	CLUB & SOCIETY ACCOUNTS	34
20.	OTHER	
20.1	Sponsorship	35
20.2	Insurance	35
20.3	Nominee Shareholder	36
20.4	Personal Financial Matters	36
20.5	External Funding	36
20.6	Budget Approval for Other Income Generating Activity	37
	APPENDIX A: FINANCIAL DELEGATIONS / BUDGET HOLDERS	40
	APPENDIX B : SAFE :-INSURANCE LIMITS	49

SECTION A: GENERAL

1. INTRODUCTION

This document sets out the Union's financial regulations. It was reviewed and agreed by the Finance & Risk Sub –Committee on the 29th November 2016 and was approved by the Trustee Board on 6th January 2017.

Lancaster University Students' Union is a registered charity and is under an obligation to ensure that the charity is carrying out the purposes for which it is set up, and no other purpose.

As of the 1st August 2017, LUSU is a registered company; limited by guarantee.

The University has responsibility under the Education Act 1994 to take such steps as are reasonably practicable to ensure that the financial affairs of the Students' Union should be properly conducted.

These regulations are mandatory on all parts of the Union.

These regulations outline the approved system of financial control which is in place to secure the proper administration of the Union's financial affairs. They provide a useful framework within which officers, post-holders and staff can act in confidence, without fear of financial impropriety. In this sense, the regulations are intended to facilitate and not to restrict.

Any uncertainty in the interpretation of these regulations should be raised with the Financial Controller who will seek to clarify the point.

Any dispute in the interpretation of these regulations should be raised with the Financial Controller/ Chief Executive. If the dispute is not resolved in this method at this point the issue will be escalated to the Finance & Risk Sub-Committee either by e-mail or raised at the next available meeting.

These regulations shall be reviewed when necessary, although at least every 3 years. The Financial Controller shall conduct the review, taking advice from all relevant bodies, and shall submit a report to the Finance & Risk Sub – Committee which outlines any proposed amendments to the regulations. Following this (subject to any further adjustments) the proposed amended Financial Regulations will be submitted for approval to the Trustee Board.

2. SCOPE

These regulations apply to all financial transactions undertaken by the Trustees, officers or staff of the Students' Union, or by any post-holder in an affiliated club or society, JCRs and student groups. In the remainder of the document, these will be referred to as 'individuals'. These regulations apply to the Union's trading subsidiaries; LUSU Services Company Limited and LUSU Housing Limited.

3. RESPONSIBILITIES

Compliance is a requirement for all Trustees, officers, post-holders and staff.

All	It is the responsibility of all officers, post-holders and staff to ensure that they comply with the financial regulations and procedures, and are fully familiar with the financial aspects of the Union's Articles of Association and bye-laws.
Individuals with Budget/ Financial Responsibility	To attend the training relating to these financial regulations which will be provided by LUSU. It is the individual's responsibility to request assistance as and when needed. Responsibilities will be included within the body of this report.
Budget Holders	Responsibilities will be included within the body of this report however includes; preparation of budgets, monitoring expenditure/ income against budgets and explanation of variances.
Finance Office	Appropriate training relating to these financial regulations will be given to new officers, post-holders and staff members. For new officers and post holders it is those with budgetary / financial responsibilities that will be trained. Furthermore, the Finance Office will offer day-to-day assistance in understanding these regulations and procedures, and will advise where required.
Financial Controller	shall be responsible to the Designated Officer for the financial administration of the Union, including the preparation/ compilation of budgets, preparation of accounts, provision of management

	information, and other financial operations such as treasury management.
Chief Executive	As the Designated Officer for funds provided by the University, shall ensure that the Articles of Association, Code of Practice, Financial Regulations, and any other relevant legislation are adhered to and shall have the power and responsibility to act in the event of any breach of them.
Finance & Risk Sub - Committee	The Trustee Board have delegated the review / scrutiny of the financial affairs of the Union to this sub –committee. The sub –committee has no permanent authority for approval, however can make recommendations to the Board (as per Terms of Reference).
Trustee Board	The Board of Trustees is the governing body of the Students’ Union and has the ultimate responsibility for directing the affairs of the charity, ensuring it is solvent, well run and delivering the charitable outcomes for the benefit of the public for which it has been setup.

Failure to comply with the financial regulations and procedures may lead to an officer, post-holder or staff member being held personally liable for any cost or loss incurred by the Union or any of its constituent bodies.

Consequences of not adhering to the Financial Regulations could include; temporary suspension; permanent removal of signatory rights; removal of the right to bid for additional funding. Any individual who fails to comply with the Financial Regulations may be subject to disciplinary action under the Union’s Disciplinary Policy.

SECTION B: FINANCIAL GOVERNANCE

4. SCHEDULE OF FINANCIAL DELEGATIONS

The Schedule of Financial Delegations / Budget Holders is contained in Appendix A.

5. RISK MANAGEMENT

LUSU acknowledges the risks inherent in its activities, and is committed to identifying and managing risks. A separate Risk Policy outlines LUSU’s underlying approach to risk.

It is the responsibility of the Trustee Board to manage the Risk Policy, although the practicalities will be delegated to the Finance and Risk Sub-Committee and the implementation to Management Team. The Management Team in each review will:

- Compile and monitor the risk register
- Review the action plans and update accordingly
- Ensure the controls are operating effectively
- Assess new risks
- Remove risks that are no longer applicable

There will be two light touch reviews of the Strategic Risk Register per year conducted by the Chair of the Trustees, Chair of the Finance and Risk Sub-Committee and the Senior Management Team.

Bi annually the Management Team will conduct a detailed review of operational and strategic risk registers and report on this to the Finance and Risk Sub-Committee. This group will scrutinise both the risks and related scores. This group will report to the Trustees on the adequacy and effectiveness of the Union's risk management system. The risk registers are reported to the Trustee Board for approval.

As a matter of good practice, any serious incident that has resulted or could result in a significant loss of funds or a significant risk to a charity's property, work, beneficiaries or reputation will be reported to the Charities Commission immediately, not just on completion of the Annual Return. The Charity Commission will offer guidance to help protect the charity and its beneficiaries if appropriate.

6. WHISTLEBLOWING/RAISING CONCERNS AT 'WORK'

Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

The Union subscribes to the University's policy, 'Raising Serious Concerns at Work: Whistleblowing' which can be found as Appendix 3 of the University Financial Regulations. These can be found by scrolling towards the bottom of the page of the following link:

www.lancaster.ac.uk/depts/finance/. Any concerns should be raised with the relevant staff member's immediate line manager or the President.

7. FRAUD, CORRUPTION AND OTHER FINANCIAL IRREGULARITIES

7.1 Definitions

Fraud: - The intentional distortion of financial statements or other records by persons internal or external to the University, to conceal the misappropriation of assets, or for gain or for some other purpose. It would include offences covered by the Fraud Act 2006, including fraud by false representation, failure to disclose information when under a legal duty to do so and fraud by abuse of position.

Theft: - The dishonest taking of property belonging to another with the intention of depriving that other permanently of its possession.

Bribery: - Requesting, offering or receiving a bribe, or a payment, or other advantage, with the intent to induce improper conduct or performance of a function.

Money Laundering: - Exchanging money or assets that were obtained criminally for money or other assets that are 'clean' (i.e. without any obvious link with any criminal activity).

Corruption: - Giving or obtaining advantage through illegal or dishonest behaviour, or through means which are inconsistent with one's duty or the rights of others.

Other Irregularity: - The failure to observe the Union's Financial Regulations, policies and procedures, or a breach of the laws of the land.

7.2 Principles

The Union does not tolerate any form of financial irregularity (as listed above) involving 'individuals' or third parties and will take action against the people involved. For completeness, these principles would cover temporary workers, agency workers, voluntary staff, agents, contractors, suppliers and any other individuals dealing with or on behalf of the Union.

The Union expects:

- That individuals and organisations that it deals with will act with integrity and meet all legal and regulatory requirements governing the ethical conduct of business;
- All 'individuals' to be aware of their personal responsibilities and to adhere to the Financial Regulations at all times;
- Transactions to be properly and accurately recorded;
- that all breaches or suspected breaches of the Regulations are fully investigated and, if appropriate, disciplinary measures are invoked;
- prompt action will be taken to remedy any breach and prevent any repetition.

7.3 Reporting

Any suspected financial irregularity must be reported immediately to the Financial Controller who will inform the LUSU President and Chief Executive. In the absence of the Financial Controller, reporting should be made to an available member of the Management Team.

7.4 Investigation of Suspected Irregularity

The Chief Executive and LUSU President shall make any inquiry that they consider necessary and may appoint an independent “investigating officer”.

Where there is *prima facie* (‘on the face of it’) evidence that members of staff are involved in such irregularities the Chief Executive will decide if the procedure for dealing with cases of alleged misconduct as set out in the University’s Human Resource policies should be invoked or whether other disciplinary action may be appropriate.

Where officers / other ‘individuals’ (scope section 2) of the Union are involved then the Chief Executive and LUSU President and VP UD shall act jointly and investigate initially and, if thought appropriate, shall refer the matter to the appropriate Union or University disciplinary body.

In addition to the above potential sanctions, where ‘individuals’ are involved in the loss of funds the loss they will be invoiced for this amount.

For more serious matters the police may be involved.

8 CODE OF CONDUCT

8.1 Principles

The Union is committed to the highest standards of openness, integrity and accountability and expects that ‘individuals’ act in good faith, impartially and in accordance with their positions of trust.

‘Individuals’ should never use their authority for personal gain and should always seek to uphold and enhance the standing of the Union. This reflects the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

8.2 Conflicts of Interest

Any ‘individual’ who has a connection with any outside organisation which sells to or buys from the Union must declare his/her interest in writing to the Chief Executive, and should

not under any circumstances be the person who authorises any transaction between the Union and that organisation.

Any 'individual' should not participate in any discussion or decision where there is or is likely to be a significant conflict of interest between themselves and the Union without first making a declaration that such a potential conflict exists. There may be times when the conflict is so substantial that it is appropriate for them to withdraw from the meeting.

Annually, the Chief Executive will issue a Conflict of Interest Form to all staff of the Union. Any potential conflicts of interest will need to be declared on this form (any updates since previous submission). This will need to be signed (hard copy or electronic) and submitted to the Chief Executive/ Departmental Administrator.

Career staff are expected to pro-actively flag to the Chief Executive /Departmental Administrator if circumstances change within the year or if a potential conflict may arise.

A Register of conflict of interests should be kept for all career staff and Trustees by the Departmental Administrator.

Conflicts of interest equally apply to Union Executive and JCR Executive. Any conflicts should be declared to ensure transparency.

8.3 Giving Gifts and Hospitality

Gifts

Offering modest gifts on behalf of the Union is a legitimate way to build good relationships providing they do not influence decision making or cause others to perceive an undue influence. Alcohol is not permitted.

Business Entertaining

The Union allows entertainment of external 'customers' for e.g. to discuss a particular business project, to maintain an existing business connection or to form a new one.

However, expenses are not allowed to be claimed if entertaining is really for social reasons, even if some business topic happens to be discussed.

Individuals should ensure that any hospitality provided is proportionate and properly recorded with sufficient detail provided. Alcohol is specifically not allowed.

Non-Business Entertaining

Entertaining not involving third parties (i.e. attended by Union 'individuals' only) should not be charged to Union administered funds without prior approval of a member of the Senior Management Team (SMT).

8.4 Accepting Gifts and Hospitality

Any 'individual' should be aware of the difficulties which may arise from the acceptance of any gift, favour or hospitality which may be intended to influence the recipient or which could be interpreted by a reasonable person in full possession of the facts as likely to have that effect.

Subject to this, gifts, favours and hospitality of modest value may be accepted in the conduct of established relationships and ideally shared with teams.

Material gifts or hospitality offered by an individual or company that does or could provide services to the Union should be refused where they could be construed as an inducement to secure favour. 'Individuals' must not accept personal gifts or gratuities of any kind, including entertainment, gift certificates, the use of property or facilities, or other favours of value. This does not include speciality advertising items of low value such as diaries and calendars.

Modest hospitality is an accepted courtesy of a business relationship. However, the guiding principles to be followed by all officers, post-holders and staff members must be:

- that individuals should not allow themselves to reach a position whereby they might be (or deemed by others to be) influenced in making a business decision as a consequence of accepting such hospitality
- that the conduct of individuals should not create suspicion of any conflict between their official duty and their private interests
- that the frequency and scale of hospitality accepted should not be significantly greater than the Union would be likely to provide in return.

When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Financial Controller.

9 VALUE FOR MONEY

Whilst it is a management/ FTO responsibility to lead on value for money, each individual has a responsibility to take steps to eliminate waste and discourage extravagance through their personal actions. They also have a responsibility to bring to the attention of their line manager / President any opportunities that they believe are available to reduce costs within existing procurement regulations.

The Union requires all Budget Holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability.

Refer to section 15 (Expenditure).

SECTION C: FINANCIAL MANAGEMENT AND CONTROL

10. ACCOUNTING ARRANGEMENTS

10.1 Financial Year

The Union's financial year –end runs from 1 August until 31 July inclusive.

10.2 Format of the Financial Statements

The financial statements for the consolidated Union are prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Charities SORP FRS102. The financial statements for the two trading subsidiaries are also prepared in accordance with the provisions of the Companies Act 2006.

10.3 Record Keeping

The Finance Office retains invoices and expense records, for a six year period to satisfy Her Majesty's Revenue and Customs. If required for longer e.g. for European funded grants, these will be kept by the relevant Department Head.

10.4 VALUE ADDED TAX

The Union is a complex organisation for VAT liability purposes; it has a broad range of diverse activities and operates under three separately VAT registered entities (Union, LUSU Services Company Limited and LUSU Housing Limited). The Union will use the expertise of a VAT Consultant if required.

The Financial Controller shall be responsible for maintaining the VAT records for the Union, timely submission of VAT returns, make all VAT payments within due date, and receive all VAT credits, as appropriate.

VAT will not be paid on a suppliers invoice if the supplier's VAT registration number is not shown on the invoice.

For payments made by credit card (section 15) - it is the responsibility of the Budget holder or delegated authorised signatory to provide Finance with the VAT invoice.

All monetary values stated in these regulations exclude VAT.

11 FINANCIAL PLANNING

11.1. General

The Union's budget shall be prepared in accordance with the Union Articles of Association and approved by the Trustees.

The Budget (Group) will include anticipated income and expenditure, a Balance Sheet, Cash Flow Statement and Reserves Policy information.

11.2 Budget Setting & Projected Outturn Process

It is the Budget Holders responsibility to include documented rationale in addition to the financial information submitted to the Financial Controller who compiles the budget / forecast information.

A draft Budget for the following financial year and forecasts for the 2 years after should be submitted to the Finance & Risk Sub- Committee for review (usually April). It is the responsibility of the sub –committee to recommend (or not) the approval of the Budgets / forecasts to the Trustee Board for approval (usually in May). The Final budget / forecasts are Trustee Board in August for approval.

Strategy and Funding is included in the LU / LUSU Code of Practice section 5.

A mid-year review of the anticipated financial outturn of the Union is conducted and submitted to the Finance & Risk Sub – Committee for review and then the Trustee Board for approval (usually in February).

11.3 Budgetary Control

It is the responsibility of the budget holder to control expenditure within the agreed budget, and to achieve income targets where relevant. Expenditure includes capital expenditure.

A list of budget holders and delegated authorities, together with their authorisation limits, is contained in Appendix A of this document.

Budget holders may only allocate funds from their budget for the express purpose of that budget (i.e. specific budget headings).

Budget approval for 'Other Income Generating Activity' is covered in section 20.6.

Budget holders may delegate their authority to a nominee only with written approval (includes e-mail) from the LUSU President (in the case of officer budget holders) or from the Chief Executive (in the case of staff budget holders).

The agreement of the Chief Executive must be sought regarding any proposed financial commitment which cannot be met from within the budget allocation. There should also be no planned variations from agreed budgetary plan without prior approval from the Chief Executive.

11.4 Financial Information

As soon as practicably possible following the end of each month, the Finance Office will supply financial reports to all budget holders. It is the Budget Holders responsibility to complete the narrative which will include an explanation of key variances. Any financial information that is not available to the Budget Holders (via read access to the accounting system) shall be requested from the Finance department.

Monthly management accounts are submitted to the relevant group meetings (August to October are reported together).

The management accounts and a 'consolidated' summary are submitted to the Finance & Risk Sub -Committee for review. These are then submitted to the Trustee Board for discussion / information.

Budget Holders are responsible for completing agreed KPI's as relevant to their area in a timely manner.

Stock - see section 17.4 on financial information required.

12 AUDIT REQUIREMENTS

12.1 External Audit

The Trustee Board are responsible for the appointment of external auditors.

The requirement for the Unions accounts to be externally audited are included in section 5.6 of the LU /LUSU Code of Practice.

The primary role of external audit is to report on the Unions' (including the two trading subsidiary accounts) financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the financial statements Their duties will be in accordance with the Auditing Practices Ethical standards for Auditors.

The external auditors shall have the right of access at all reasonable times to all accounting records and other relevant documentation. They are also entitled to request information and explanations as they see fit from officers, post-holders, staff and any other constituent body of the Union.

The Financial Controller is responsible for drawing up a timetable for final accounts preparation and will advise the relevant staff / officers and the external auditors accordingly. Following consideration by the Finance & Risk Sub-Committee, the Annual Report and Financial Statements will, on their recommendation be submitted to the Trustee Board for approval.

12.2. Internal Audit

The internal auditor shall have the right of access to the financial records of the Union, and shall be entitled to make such enquiries as are necessary to ensure that grants from the University are used for the purposes for which they were provided, and that the Union is maintaining adequate and effective procedures for financial control.

It is the duty of management, not the internal auditor, to operate an adequate system of internal control. It is for the Trustees to determine whether to accept and implement audit recommendations or to recognise and accept the risks from not taking action.

The Trustee Board may also request the internal auditors to report on any matter where financial regulations are breached or where financial irregularities are suspected. The internal auditor shall report in the first instance to the Chief Executive and President.

13 BANKING ARRANGEMENTS

The Financial Controller will make all arrangements to open, close and operate accounts with the Union's bankers. No other officer, post-holder or staff member may open bank accounts in respect of Union funds. All bank accounts shall be in the name of the Union or one of its subsidiary companies. The exception is student groups/ Clubs & Societies: section 19.

No other constituent part of the Union is permitted to operate a bank account unless specific permission has been obtained from the Financial Controller, reported to the Finance and Risk Sub –Committee and confirmed by the Trustee Board.

The Financial Controller and the Chief Executive are the only persons authorised to deal with the Union's bankers in matters affecting the Union's funds, properties and securities.

On behalf of, and with the authorisation of, the Finance & Risk Sub – Committee the Financial Controller shall negotiate all borrowing and investment requirements for the Union. Any Borrowing or Investments proposals need to be reviewed by the Finance & Risk Sub – Committee and agreed by the Trustee Board.

14 INCOME

14.1 General

There are numerous types of income streams including funding (University and external) and commercial income. Therefore some of the points raised below may not be applicable in all cases i.e. varies with the income stream.

The Finance Office is responsible for maintaining an accurate and complete record of income. This excludes Clubs & Societies where the responsibility lies with the relevant Treasurer.

14.2 Invoicing & Collection of Debts

Where goods and services are supplied by the Union (including the two trading subsidiaries), an appropriate charge must be made by raising an invoice on the Union's finance system. Invoices must include VAT where applicable.

Official sales invoices must be generated by the Finance Office (except for Clubs & Societies).

It is the responsibility of the Financial Controller to monitor the level of debts and to report any significant problems to the Chief Executive, Finance & Risk Sub – Committee and the Trustee Board.

In the event of non-recovery, the Financial Controller can write off individual debts up to £5,000. This is up to an annual limit of £20,000. For amounts of over £5,000 the write off must be agreed by the Finance & Risk Sub- Committee and reported to the Trustee Board.

The amount (£) and number of bad debt write offs will be reported as part of the Management Accounts narrative.

14.3 Tills

All sales must be made through a till, or other system, approved by the Finance Office. All receipts must be balanced against the till reports in the format specified by the Finance Office. This information (hard copy / e-copy) must be submitted to the Finance Office according to the agreed timeframes.

14.4 Cash & Cheque Receipts

All cash and cheques collected remain the responsibility of the collecting officer, post-holder or staff member until such time that it is officially discharged. Cash and cheques collected must be securely stored in a locked cupboard, cash tin, or safe, dependent on value. Where monies are held overnight, secure arrangements must exist for their safekeeping. Keys to safes and other secure containers must be secured according to agreed insurance protocols.

Care should be taken to ensure that the monies held do not exceed the insurance value of the secure facilities provided; refer to Appendix B.

Cash received should be collected, counted and recorded by two individuals, wherever possible.

Cash income collected must at all times be kept entirely separate from personal funds.

Suitable security arrangements must be adopted for transporting cash to the bank or Finance Office. This includes varying the time and route taken where possible.

Where money is in transit it must be accompanied by the following number of able-bodied employees (as per insurance requirements):

Amount of Money	Number of Employees
£2,000 or less	One
Between £2,001 and £6,000	Two
Between £6,001 and £10,000	Three

For sums in excess of £10,000, this should be split.

For non –employees; the amount of monies in transit should not exceed £3,000.

Cash and cheques collected must be banked without deductions, unless specifically agreed with the Financial Controller.

Banking must be done no later than three days following collection of the receipts, however preferably by the next working day.

For Clubs & Societies who have their own bank accounts, banking of receipts should be done by the next working day if feasible / practical. If not feasible/ practical, then banking should be done ASAP and the receipts kept securely. See Section 19.

14.5 Ticket Sales

Ticket (physical and e-tickets) sales for events must be agreed in advance by the Finance Office against an approved budget / authority and must be sequentially numbered. Receipts must be reconciled to ticket sales daily. Receipts and proof of income should be brought to the Finance Office within three working days (and preferably by the next working day), in addition to any unsold tickets.

14.6 Union Cloud – Digital Receipts

Monies collected through Union Cloud from NUS on behalf of LUSU for income including membership fees, ticket sales will be paid over to the recipient within an agreed time frame. Monies will not be paid over until they are received from NUS i.e. in the LUSU bank account. If monies are received late, and confirmation has been received from NUS on the amounts due, the Chief Executive (or Financial Controller in their absence) can authorise the payment to the Groups in advance of it being received into the bank account.

Monies to student groups will be paid by BACS directly to their bank accounts, only when evidence has been received (and checked) of their bank account details.

15 EXPENDITURE

15.1 General

It is the responsibility of the budget holder to ensure that funds are used for proper purposes and as far as practicable, that **value for money (see section 9)** is obtained in respect of each transaction. Normally these arrangements would include inviting quotations and tenders or using the NUSSL buying consortium, although advice regarding a specific purchase may be sought from the Financial Controller. In all cases full documentation to support a particular purchasing decision must be kept.

Ethical, Social and Environmental Responsibility

The Union recognises that its procurement decisions have an impact on the environment, society and the economy and is committed to improve sustainability.

15.2 Authorised Signatories

Authorisation of expenditure must be in accordance with the Schedule of Financial Delegations and within approved budgeting limits (Appendix A).

Budget Holders may further delegate authority to request and approve the purchase of goods or services to other 'individuals' providing those 'individuals' have been adequately trained to carry out their responsibilities.

15.3 Ordering Goods and Services

Orders must only be authorised by budget holders when it is known that a sufficient budget or allocation is available.

Care should be taken to ensure if there are any additional costs e.g. delivery, import duties and that these are minimised.

Budget holders should only purchase from recognised, authorised suppliers. These would normally be from the NUSSL approved lists. Outside these lists, any new suppliers must be authorised by the Financial Controller or Chief Executive. Before opening a new supplier account – check with the Finance department to ensure that one is not already open and in the cases of new supplier accounts lodge the relevant details i.e. supplier name, account code once authorised.

An official order must be raised for **all** goods and services provided on credit i.e. not paying for it immediately, with the exception of supplies of a continuous and obligatory nature such as rents, regular IT subscriptions and utility services.

Orders must include sufficient information on the goods or services being ordered. This will include price and quantity and any specific delivery conditions.

The budget account name / code should also be included on the order.

Orders and contracts shall be signed only by those properly authorised as budget holders / delegated authorities, up to the limits specified in the Appendix A of this document.

All goods and services ordered must be for the purpose that the budget was allocated, and must not be ultra vires. Orders are not to be used for private purchases.

Where the order value exceeds the budget holder's authorisation limit then their line manager or a second budget holder with appropriate authority should counter-sign the order form once they are satisfied that it complies with these financial regulations. No attempt must be made to separate items on purchase orders so as to reduce the amount below the authorisation limit.

15.4 Contracts

When negotiating long term lease or rental contracts (over 1 year) the Financial Controller should be involved at an early stage. The Budget Holder needs to ensure that the best terms and conditions are achieved. All lease or rental contracts (if outside of the budgetary constraints set out in Appendix A) must be signed by the Chief Executive.

A signed copy of any contract needs to be submitted to the Finance Office.

Tendering / quotations is covered in section 15.5.

15.5 Payment of Accounts

Goods For Resale

All invoices must be approved for payment by the relevant budget holder/ delegated authority before being passed to the Finance Office. Approval will indicate that the following checks have been carried out: -

- Each invoice has been checked against the official order.
- The goods or services have been received, the quantity is correct and the quality is satisfactory.

- Invoices have not previously been certified for payment for the same goods or services.
- Prices are in accordance with the agreement; allowances, returns and credits have been deducted; and calculations have been checked.

Other Goods / Services

Prior to payment:

- The invoice will be matched to the authorised purchase order (by Finance)
- Any differences between the order and the invoice will be queried with the budget holder.
- If the good / service received is not as ordered (quality /quantity) it is the Budget Holders / Delegated authorities responsibility to inform Finance as soon as possible (so as not to pay the invoice).
- In those circumstances where the invoice has been paid and the goods / service delivered is not of the required standard it is the Budget Holders responsibility to take this up with the supplier.

Payments should normally be made against official invoices received from suppliers, and not against statements, delivery notes etc. The Financial Controller must specifically approve any exceptions to this requirement. Payment against copy invoices should only be made where detailed checking has confirmed that no payment has been made against an original and the Finance Office should endorse the copy invoice to that effect.

Payments in advance should only be made where there is no practical alternative, and with the agreement of the Financial Controller. Any invoice subsequently obtained should be filed with the original payment documentation, and endorsed appropriately to prevent duplicate payments.

Payments will normally be made via automated payments or by cheque.

Payments are normally processed once a week by the Finance Office. It is the responsibility of the budget holder/ delegated authority to ensure that invoices are submitted on time i.e. within 3 working days of receipt. In exceptional circumstances the Financial Controller may authorise the preparation of urgent payments, subject to the availability of authorised signatories.

The Union will pay all invoices in accordance with the terms of trade agreed with the supplier.

Where discounts are offered for early settlement, it is advisable to deal with these cases as exceptional items and clear them specifically with the Finance Office.

The Financial Controller [or in their absence the Chief Executive or in the absence of both a senior member of staff nominated by the Chief Executive] will sign all cheques of a routine nature up to a value of £1,000. Over this amount they must be countersigned by the LUSU President or VP Union Development (UD). Cheques with a value over £20,000 must be signed by the Chief Executive and either the LUSU President or VP UD.

Cheque signatories are not allowed to authorise a cheque payable to themselves.

The LUSU President and VP Union Development will perform checks on invoices and other documentation relating to those cheques which they countersign.

Transfers of any amount between Union bank accounts due to an error/ payment correction may be authorised solely by the Financial Controller or another of the Bankline payment authorisers.

For automated payments using the NatWest Bankline system, payments will be made by the Financial Controller [or in their absence the Chief Executive or in the absence of both a senior member of staff nominated by the Chief Executive who is set up on BankLine.

Payment requests that do not fall into the category of purchase orders or payment claims e.g. insurance renewals, audit invoice; the payment request should be made to the Finance Office (can be electronically), however will need to be correctly authorised with the details of the amount, the budget code, payment method (and bank account details if relevant) any reference required and payee.

15.6 Buying on Line / Credit Card Payments

For business credit card payments made on –line; a completed, authorised purchase order form is required.

A VAT invoice and the confirmation documentation should be printed and the paperwork should be given to the Finance department within 2 working days.

15.7. Tenders and Quotations

Subject to any special rules imposed by funding bodies, the following rules apply (except for goods for resale):

- Under £1,000: the budget holder has the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- Between £1,000 and £3,000 - a minimum of 1 additional written quote must be obtained unless the supplier is on the Nussl consortium list or on the University approved procurement framework.
- Between £3,000 and £25,000 – at least three written quotations must be obtained. If this is not feasible/ not practical then the reasons why need to be justified.

For expenditure (this includes annual contract values) in excess of £25,000, competitive tendering will need to be undertaken at least once every 3 years unless business needs demand differently. Where there is no source of competition available and / or for good practical business reasons going to tender is not the best way forward, this would need to be justified in writing to the Chief Executive.

The above figures exclude VAT.

15.8 Advance Payments

Advance payments for goods and services that have not yet been delivered must not be entered into without the permission of the Financial Controller.

15.9. Reimbursement of Expenses (Payment Claims)

General

Payment claim forms should only be submitted by staff and students (not suppliers).

Expense payment claims should not be used for the purchase of goods and services which should be bought in accordance with the purchase ordering procedures (15.3).

There is a separate payment claim form for property owners that is used by LUSU Housing Ltd.

Payment claims are limited to a value of £100 unless agreed in advance by the relevant delegated authorities and the Financial Controller.

Officers and post-holders should check their eligibility for expenses with the LUSU President/ VP Union Development, and staff should check with the Chief Executive if in doubt. This must be done prior to incurring the cost.

Claims may also be made for reasonable costs incurred by persons entertaining visitors to the Union (see section 8.3).

Payment claims shall be submitted at the earliest opportunity, and no later than two months after incurring the expenditure. The amounts claimed shall be supported by receipts where these might reasonably be expected to be obtainable. These should be full VAT receipts and not credit card flimsies or copies of bank / credit card statements. The receipts should be collected within 2 months and if not the claim amount will be re-imbursed back into the relevant budget code.

Claim forms shall be signed by the claimant and this will be deemed to indicate that the expenditure has been wholly, necessarily and exclusively incurred on behalf of the Union and has not previously been claimed. The account to be charged shall be entered and the form shall be approved by an authorised signatory(s) for that budget.

No one can authorise their own claim. The claim should be authorised by their line manager or a budget holder with appropriate authority.

Authorised payment claims are then checked by Finance (i.e. correctly authorised) and are then authorised by the Financial Controller (or Chief Executive) and the VP UD (or President). In the Financial Controllers absence, this authority is delegated to the Assistant Accountant / Finance Team leader.

Persons receiving an advance shall submit receipts in accordance with these financial regulations at the earliest opportunity, detailing the expenses they actually incurred. Any unspent amount of the advance shall be refunded to the Union and any balance due to the claimant will be reimbursed.

Cash claims can be collected 24 hours after being lodged with the Finance Office, subject to the availability of authorised signatories. Claims for payment by cheque will be paid on a weekly cycle. Payments can also be paid by BACS and will be paid on a weekly cycle.

Claims less than £5 will be paid by cash and not by cheque or BACS.

Travel & Subsistence

Claims for travel, subsistence and miscellaneous expenses will only be allowed for expenditure incurred in the performance of official Union business, and should be limited to the reimbursement of expenditure actually and reasonably incurred. Staff / Officers who are planning to attend an 'event' (which is likely to incur costs above £100) should obtain approval from their Line Manager / President/ VP UD in advance of that event.

Travel shall normally be undertaken by public transport, an exception being Group visits. Private cars may be used in certain circumstances where public transport would be inappropriate or uneconomic, and reimbursement will then be made at the HMRC statutory mileage rates.

If an employee uses their own vehicle for business they must ensure that it is road-worthy (including current MOT certificate where applicable), that the motor insurance policy includes business cover and their driving license is valid. The Union is required to check insurance policies and driving licences annually to ensure drivers are correctly insured and qualified to drive.

Further detail regarding insurance is covered in section 20.2.

Further detail on travel by hire car, private car, motorbikes/bicycles and taxis are covered in Appendix 4 (Expenses Policy) of the Universities Financial Regulations.

Travel and subsistence claims may include the cost of meals, accommodation and any other expenditure necessarily incurred while on Union business.

Note: the cost of meals taken in the course of business travel should be reasonable and supported by receipts.

Persons undertaking visits and incurring expenditure which will be charged to any account administered by the Union shall do so with the objective of achieving the maximum economy appropriate to the circumstances.

Claimants shall provide full particulars of the dates of absence from the Union, destination and purpose of a visit. Where extended journeys are undertaken, possibly involving a number of purposes, details shall be provided of the expenditure incurred at each stage and the purpose to which it relates.

Persons who have approval to undertake visits where the cost of travel and subsistence is estimated to exceed £50 may make an application to the Financial Controller for an advance. Such application (via a payment claim form) shall provide details of the expected expenditure and the total amount required. If approved, the advance may be provided no more than four days before the intended date of departure.

15.10 Petty cash and Floats

Petty cash and floats may only be held with the agreement of the Financial Controller (except for Clubs & Societies).

Petty cash and floats must be stored securely, in a locked petty cash tin or safe for which the key is kept securely, and kept separate from personal cash at all times. The tin / safe must be kept in a secure place.

Petty cash must only be used for official purposes, subject to the same ultra vires rules as for other purchases. Petty cash must **never** be used for private purchases, for advances against IOUs or to cash personal cheques. All petty cash purchases must be supported by a receipt as expenditure will not be reimbursed without a receipt.

Floats must only be used for the purpose of changing cash, and must be checked daily. Under no circumstances should the float be used to pay for purchases or to correct till shortages.

Petty cash and floats will be subject to random, unannounced checks by the Finance Office.

15.11 FAIR ALLOCATION OF RESOURCES

The Union is obliged by law to allocate resources by a fair process. Section 22 of the Education Act 1994 (Section H) refers to fair allocation of resources to 'Groups and Clubs'. This should be fair and should be set down in writing and freely accessible to all students.

Resource allocation in the form of funding 'pots' that student groups can bid into, should also adhere to the above principles.

Resource allocation, in the form of annual budgets (and any supplementary budgets agreed in year), is ultimately a matter for the Trustee board, and is subject to University approval via the procedure specified in the LU/LUSU Code of Practice.

The timescale for the process will be published early in the lent term of each year. It will allow members and groups to apply for funds, and for their cases to be considered by the

LUSU Executive, the Finance & Risk Sub – Committee and the Trustees. Note: a different forum depending on the fund application.

At all stages, allocations will be made in line with the aims and objects of the Union, and in line with the policies and priorities of the agreed strategic plan. All allocations will be made by committee, not by individuals, and conflicts of interest will be dealt with as set out in Section 8 of this document.

Members, or groups of members, who feel they have not been treated fairly may lodge a complaint under the Union complaints procedure.

At any time, members have the right to approach the LUSU President, VP Union Development, Chief Executive or Financial Controller to ask for advice and information about resource allocation.

The Activities Funding Policy is available on the LUSU website.

15.12 ULTRA VIRES

The Students' Union is subject to the *ultra vires* rules, and must act in accordance with its Articles of Association and with charity law.

An ultra vires act is one that is outside the objects and powers of the Union, and is therefore illegal.

No payments will be made if it would breach charity law or Charity Commission guidelines.

In the event of any dispute as to whether the expenditure is permissible the Chief Executive as designated officer will investigate.

16 PAYROLL

General

Career staff are paid by the University payroll (and the cost recharged to the Union).

Any additional payment to an employee (e.g. for extra work performed out of hours) must be paid via payroll.

Holiday authorisation procedures via the automated system should be adhered to.

FTOs

Payments of salaries to FTO's of the Union shall be made as per their contract arrangements held by the Departmental Administrator.

All payments shall be made in accordance with the contracts of employment that are in place, subject to current legislation and HMRC regulations. This includes pension auto enrolment procedures.

Use of staff via the University ERS

Hiring Managers are responsible for:

- ensuring that any staff resource requested from ERS is recorded on Find My shift. This will include the name, hours, dates and the hourly rate.
- Checking and authorising submitted timesheets
- checking that the amount charged by the University agrees to that expected (i.e. that included in Find My Shift).

17. ASSETS

17.1 Security of Assets

Budget holders are responsible for the safe custody and proper use of equipment, vehicles, furniture, stores and other items held within their departments and must take all reasonable measures to prevent losses and unreasonable wear and tear.

Authority to dispose of assets must be requested from the Financial Controller.

Budget holders are responsible for maintaining up-to-date departmental inventories of all assets if applicable e.g. equipment, furniture. These inventories will be submitted by the Budget Holder to the Financial Controller on an annual basis (end of June). Where practicable, assets should be permanently marked to identify them clearly as Union property. Prime responsibility for the equipment inventories rests with the budget holder but checks will be made by the Financial Controller from time to time.

17.2 Loan/ Disposal of Union Property

Where equipment is loaned it must be signed out and signed back in. The borrowers must acknowledge their responsibility to return the equipment by the agreed date and in the same condition when it was borrowed. The lenders must sign that these conditions have been adhered to. However, no property should be removed from the Union premises without the prior permission of the Chief Executive or Financial Controller, unless authority has been delegated and procedures are in place e.g. PA equipment.

Laptops/ ipads may be removed by the 'individual' to whom it has been assigned but remains the property of the Union.

17.3 Loss / damage of Union Property

Losses and damage to Union property must be notified immediately to the Financial Controller so that an insurance claim can be made where appropriate.

17.4 Use of Union 'Space' or Facilities

Arrangements allowing other organisations or their staff to use any Union 'space' or facilities can only be made with approval from the President / Chief Executive.

17.5 Capital Expenditure (Fixed Assets)

Fixed assets are defined as set out in the Accounting policies of the Annual Report and Financial Statements i.e. initial purchase price of over £1,000.

The Financial Controller will maintain an asset register recording fixed assets and will arrange for a physical check of assets against the asset register to be conducted once a year. Fixed assets will be depreciated using the methods and rates as set out in the Accounting policies of the Annual Report and Financial Statements.

The purchase, lease, rent or sale of land and buildings can only be undertaken with the authority of the Trustee Board.

Authority to dispose of assets must be requested from the Financial Controller.

17.6 Stock

Budget holders are responsible for establishing adequate arrangements for the custody and control of stock held within their department and for ensuring that systems are commensurate with Health and Safety guidelines.

Stock in this context includes stock for resale, Bus passes, tickets and purple cards.

Adequate records must be kept of all stock received and sold, to ascertain the current value of stock held at any time.

Stock must be kept at a practical minimum.

All stock must be securely stored in a locked room or cupboard, to which access is restricted to a limited number of known individuals.

The Financial Controller must be informed of the value of, and the reason for, any loss, theft or misappropriation of stock.

Arrangements must be in place to identify stock which is old, damaged or obsolete. Any resulting write-offs of stock must be authorised by the Manager of the area (within their

authority limits). Proper stock management procedures such as stock rotation must be used to minimize any write off.

Stocktaking arrangements must take place as agreed with the Financial Controller.

Regular stocktakes must be undertaken by the Budget Holder (regularity / timing as agreed with the Financial Controller). The results of the stocktake should be communicated to the Financial Controller within 2 working days.

18. JCRS

18.1 General

Section 47 of the Articles of Association states that the financial management of the JCRs must comply with these financial regulations.

The elected Officers of the JCR's will not automatically be a budget holder. Prior to becoming a budget holder / authorised signatory, the Officer must undertake financial training held by the Finance department and be signed-off as such by the Finance department. By signing the 'Authorised Signatories' form/ card the Officers agree to abide by the Financial Regulations. No financial activity is to be initiated prior to this.

In the event of any investigations into suspected irregularities, authorities may be suspended. This would be agreed by the VP UD / President and Financial Controller (see section 3).

18.2. Financial Reporting

The annual budgeting process for the JCRs is based on the Union's financial year i.e. 1st August to 31st July, and a budget must be set for the year by mid June. The budget should be approved by the President and the Treasurer/Gen. Sec and submitted to the Finance department and VP UD. The budget will be checked by the Finance department and VP UD/ LUSU President. The budget will need to be submitted to the Executive Committee (by week 7) for approval.

The JCR's should ensure that they follow their own 'Terms of Reference' .

Changes within the budget within the financial year i.e. across the budget codes must be authorised by the Treasurer and one other member of the JCR Exec. The other member of the Exec. should be the one responsible for the budget area that is having budgeted funds

reduced (if applicable). Communication of such changes should be sent to the Finance Office.

See Section 11.3: Budgetary Control.

The Finance Office will send (via e-mail) the Treasurers and Presidents the management accounts and a transaction listing for the period approximately 2 weeks after the month-end. The Treasurer is responsible for reporting the management information back to their relevant JCR's.

The Intro Week budget should be prepared as soon as possible after / or at the same time as the approval of the Annual Budget. The Intro week budgets need to be approved by the Exec. by the end of the Summer Term.

18.3. Social Events (includes Extravs and Christmas)

- A social budget form must be completed for every social for which a charge is made. This must be approved by the Treasurer/Gen. Sec and 1 of the Social Secs. Social Budget forms need to be submitted to the Social & Events Group (SEG) for approval at least 5 working days before the event. Note: any budgets must be checked by a member of the Finance department prior to submission for approval.
- Tickets (physical and e-tickets) must be in a form agreed by the Finance Office for all social events where a charge is made.
 - For physical tickets: The collecting JCR or PG Board officer is responsible for matching the number of tickets sold to the proceeds collected, for banking the cash, for returning unsold tickets and for returning ticket stubs.
 - For etickets: The collecting JCR or PG Board officer is responsible for ensuring all information regarding ticket sales and income collection is correct and ensuring that the Finance office receives the income from the sales source.
 - See section 14.4 and 14.5 for receipts and ticket sales.
 - For tickets sold through NUS Union Cloud – refer to section 14.6.
- Extrav budgets need to be approved by the Executive Committee in Term 2.

- Winter Ball budgets need to be approved by the Executive Committee by the end of the week 3 of Michaelmas term, however it is encouraged to do this significantly earlier.

18.4. College Involvement

Where there is to be College involvement in JCR activity, the proposed agreement needs to be documented and agreed by both parties in advance of the event. Details of this agreement needs to be given to the Finance department.

For those instances whereby the JCR owes the College (e.g. SCR) funds; the JCR will need to raise a purchase order form.

For those instances whereby the College (e.g. SCR) owes the JCR funds; the College (SCR) will need to raise a purchase order form.

18.5. Purchase Ordering

- Orders can only be made by the officers authorised by the JCR or PG Board Bye-Law.
- All orders must be signed by two officers- one signature must be the Treasurer / Gen. Sec. and it is their responsibility to ensure that it is within budget.
- Refer to section 15.3 for further detail.

18.6. Reimbursement of Expenses (Payment Claims)

This is included in section 15.7 (also includes cash advances as the JCR's do not have petty cash).

18.7. Equipment

JCR and PG Board Officers are responsible for all Union equipment held within their college. An inventory must be maintained for all equipment and lodged with Finance Office. Equipment should be labelled and cross referenced to the inventory. It should also be security marked where possible.

Where equipment is loaned to other colleges it must be signed out and signed back in. The borrowers must acknowledge their responsibility to return the equipment by the agreed date and in the same condition when it was borrowed. The lenders must sign that these conditions have been adhered to.

18.8 Alcohol, Quizzes and Gifts

The purchase of alcohol must be limited to the following circumstances: for formal dinners and official Union receptions and where required under contract e.g. extrav riders, The purchase of alcohol as an enticement to attend meetings or to join clubs is strictly prohibited.

Quizzes must be self-financing.

The purchase of gifts for Senior College Officers and staff is limited to a maximum of £60 in any one year. Purchase of gifts using Union funds for other individuals is not allowed unless with specific permission from the Financial Controller and an FTO.

19. CLUB & SOCIETY ACCOUNTS

The club/ society will hold a bank account regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

The club/society will appoint a Treasurer of its funds to maintain adequate and proper financial records of its income and expenditure.

The club / society will appoint three members of its executive to be the authorised bank signatories.

The bank account will be used for the proper and lawful use of the club/ society.

The account will be run in accordance with the bank's prevailing Terms and Conditions, so as not to bring the Students' Union and the University into disrepute by association.

The Financial Controller, acting on behalf of the Trustees, shall have the right of access at all reasonable times to the accounting records and to request information and explanations about the financial matters of the club/society as they see necessary.

The accounting records must be made available upon request to the Union's external auditors, who may select a random sample of accounts for auditing.

In the event of mismanagement the club/society may be suspended from affiliation with LUSU. The impact of this would include; the group being barred from submitting funding applications, booking University controlled space and being provided with insurance cover.

Purchase orders will be submitted to the supplier in the name of the club/society, free of any suggestion that the Students' Union may be liable for payment, and must only be placed when it is known that sufficient funds are available to cover the cost of the order.

In the event that the club/society is awarded sponsorship by a third party, the executive will submit an invoice to the sponsor in order to draw down the funding or alternatively the Sponsor may agree to pay the invoice directly. For further details on sponsorship deals – see section 20.1.

20 OTHER

20.1 Sponsorship

Sponsorship is a business relationship between a provider of funds, resources or services and an individual, event or organisation which offers in return rights and association that may be used for commercial and other advantage in return for the sponsorship investment.

JCR or Club/Society Sponsorship Deal

- A sponsorship form must be completed detailing the proposed sponsorship arrangement. Some organisations have their own form, however a proforma is on the LUSU website.
- The sponsorship form and accompanying documents such as a 'contract' must be approved by the Commercial Marketing & Support Manager and an FTO prior to any initiation of the deal.
- Refer to section re Bribery / Gifts & Hospitality. In summary it is an offence to receive a bribe in order to secure an arrangement such as a sponsorship deal.

20.2. Insurance

The Trustees through the Financial Controller shall have overall responsibility for:-

- (i) Effecting all insurance cover and negotiating all claims on behalf of the Union
- (ii) Ensuring that there is a periodic review of insurance cover
- (iii) Reviewing the Union's insurers and advisors in accordance with the Union policy
- (iv) Maintaining a register of all insurance cover provided

- (v) Insuring any new risks or alterations affecting risk, as notified by a budget holder.
- (vi) Claiming for any loss, liability or damage covered by insurance.

It is the responsibility of each officer, post-holder or staff member to notify the Financial Controller upon the occurrence of any loss, damage, liability or potential liability. Evidence supporting the claim should be provided in such form as may be required by the Financial Controller.

It is the responsibility of the individual to inform the Financial Controller of any new circumstances affecting risk in order that they can be accommodated from an insurance perspective.

No officer, post-holder or staff member shall admit liability, take any action or enter into any correspondence admitting liability on behalf of the Union.

Hire of vehicles

Motor vehicle insurance is provided for individuals on Union business using hire vehicles from the Union's preferred suppliers. Drivers must be over 21 years old and hold a full UK driving license. There are further insurance requirements which need to be met and these are included in the Driver Registration form which must be completed before driving these vehicles.

Use of Own Vehicles

If staff are using their own vehicles in connection with LUSU business, they must ensure that they have adequate business insurance and register their vehicle by using the Staff Private Car registration form. For student groups; individuals wishing to use their own vehicle must first register online through the LUSU web site.

20.3 Nominee Shareholder

The Chief Executive will hold shares on behalf of the Union, but acting only with the agreement of the Trustee Board or LUSU Executive.

20.4. Personal Financial Matters

The Union will not cash cheques for officers, post-holders or staff members.

Officers, post-holders and staff members are expected to reimburse the Union for the use of any Union resources including, but not limited to, private telephone calls, photocopying, and stationery that is not used for Union purposes.

Vehicles owned, leased or hired by the Union are to be used for Union business purposes only and should not be used for private travel.

20.5 External Funding

All approaches / bid documents for external funding must be authorised by the Chief Executive and LUSU President prior to being submitted. 'External' also includes approaches to the University.

Copies of such successful contracts / bid documents must be supplied to the Finance department.

The outcome of bids are to be reported to the Chief Executive and LUSU President (and other relevant parties where necessary).

20.6 BUDGET APPROVAL FOR OTHER INCOME GENERATING ACTIVITY

All projects and activity which are dependent upon either external funding and/or income generated through sales should be fully costed using the Union's appropriate tools and approved in accordance with the Schedule of Financial Delegations. Appropriate allowance for VAT must be made. This is before any submission of a bid/plan to an external sponsor (including the University) or, any contractual obligations made.

Adequate time needs to be given to allow for the approval process. All individual project activity with funding/expenditure to be met through sales of over £10k will produce a risk register.

General Stipulations

These stipulations apply to all project/event budgets requiring approval:

- Projects/events must be fully costed using an appropriate costing tool and fully approved in accordance with the Financial Regulations Schedule of Delegations (see below).
- Appropriate costing tools for the Union ordinarily are as follows; Profit Contribution Forms, Social Request Forms and Budget Spreadsheets.
- Where a third party's budget model has to be used this must be discussed with the Financial Controller or Finance Office Team Leader.
- Any budgets must be checked by the Finance Controller or Finance Team Leader prior to submission for approval.
- A risk register will be created for any projects of a value of over £10k.

- The Chief Executive will keep the Trustee Board informed as to the number and nature of substantive additional projects being undertaken to ensure that the organisation is not over-exposed in terms of project commitments.
- All documents relating to additional projects including budgets, contracts and bids should be copied to the Finance Office.

Projects /Activity Funded by Sales Income

- Projects should ordinarily breakeven at no more than 80% of sales.
- A business case should be prepared giving a rationale for the activity. This should state the benefits the activity will deliver and account for environmental context likely to affect the success of activity.
- Cases should also identify how/if financial risks can be mitigated if anticipated income is not achieved.
- Delegated budget approval limits are as follows and based upon expenditure commitments that have to be covered by sales income. Expenditure covered by internal and external budget contributions can be disregarded.

Budgets relating to:	Approval Limit	Delegated Authority To
Officer Budgets/JCRs <small>*Except Social Budget Forms , £6k</small>	<£10k	LUSU Executive
Social Budget Forms	<£6k	Social & Events Group
LUSU Services Ltd/ LUSU Housing Ltd	<£20k Sugarhouse <£60K Grad Ball <£10k Other	Company Directors (2 signatories)
The Union charity (non officer budgets)	<£20k <35k Extrav Central Costs *	Chief Executive or Financial Controller after consultation with student officers ordinarily the Full Time Officer Executive.
Any Project/Event above approval limits		Reserved by Trustee Board

*surplus included in the budget

- **Projects/Activity Fully Funded by the University**
 - Where the University has pledged funding for an activity there must be clear written confirmation of the funding from the appropriate budget holder. This should include:

- A record of any terms and conditions attached to it.
- The internal university approval process by which the funding has been agreed.
- How the funding will be delivered to the Union.
- The Chief Executive and President will authorise all such acceptance of funds and requisite budgets
- **Projects Funded by an External Sponsor/Body**
 - Consideration will be made as to the nature of the funding available and who it is from. Funding will only be taken if the activity is:
 - If it is a reputable third party whom the Union would see as appropriate to be associated with.
 - On-mission and/or is what the Union aspires to deliver but lacks the current resource to.
 - Provides reasonable overhead recovery.
 - The Chief Executive and President will authorise all such bid applications and requisite budgets.

APPENDIX A: BUDGET HOLDERS & DELEGATED AUTHORITIES

Note: remember for payment claims – cannot authorise your own claim. For FTO's - authorisation by 1 further FTO would be required in these instances.

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
President	President	Upto the level of the relevant budget: President & 1 Other FTO	
NUS Fees			
Full Time Officers' Salaries			
Campaigns & Initiatives	President	Upto the level of the relevant budget: VP Campaigns & Communications & 1 Other FTO	
Conferences & Conventions	President	£1,500 limit: President and the FTO of the relevant area.	
VP Union Development	VP Union Development	Up to the level of the relevant budget: VP UD & 1 Other FTO	
Democracy			
Student Juries	VP Union Development	£1,000 limit per claim / order Education & Support Manager	Amounts <£500 :Ed & Policy Advisor
Part Time Officer Team	President	Up to the level of the relevant budget: jointly with either VP Education or VP W & C	
College Collaboration	VP Union Development	Upto the level of the relevant budget: VP UD & 1 Other FTO	Engagement Mgr (ME): £250
Student Committee Support	VP Union Development	Upto the level of the relevant budget: VP UD & 1 Other FTO	

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
FTO Development / Training	Chief Executive	Upto the level of the relevant budget: CEO and President jointly	
Part Time & College Devt Training	Chief Exec	Upto the level of the relevant budget: CEO and President jointly	
Research & Insight	Chief Executive	Plan to be approved by LUSU Exec.	Ed. & Support Mgr Communications Mgr VP UD
VP Welfare & Community	VP Welfare & Community	Up to the level of the relevant budget: VP W & C & 1 Other FTO	
VP Campaigns & Communications	VP Campaigns & Communications	Up to the level of the relevant budget: VP C & C & 1 Other FTO	
SCAN Printing		For SCAN: VP C&C can sign upto / = £500	
BFM & LA1 TV	VP Campaigns & Communications jointly with President or Treasurer	Authorised signatories as per Approved Signatories list held in Finance (needs 2 sigs). Items >/= £250 need VP C & C authn. as well.	
LU Cinema			
VP Education	VP Education	Up to the level of the relevant budget: VP Ed & 1 Other FTO	
VP Activities	VP Activities	Up to the level of the relevant budget: VP Activities & 1 Other FTO	
LUSU Gives	VP Welfare & C jointly with LUSU Gives President (TBC)	Authorised signatories as per Approved Signatories list held in Finance (needs 2 sigs). Items >/= £250 need VP W & C authn. as well.	

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
Nightline	Nightline Service Director jointly with Treasurer and VP Welfare & C	Authorised signatories as per Approved Signatories list held in Finance (needs 2 sigs). Items >/= £150 need VP W&C.	In absence of 1 authorised Nightline signatory :VP W& C
Intro Week	President, VP Union Development and Chief Executive (jointly)	Up to the level of the relevant budget	Engagement Manager (ME): £2,000 Financial Controller : £2,000 For above £2k: 2 signatories are required(1 must be CE)
Grad. Ball	President, VP Union Development and Chief Executive (jointly)	Up to the level of the relevant budget Exec and Finance & Risk approve the Budget	As for Intro Week
JCRs and PG Board			See Section 18.
Open Days	Communications Manager	£1,000	Communications Asst: £500

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
Special Events Programme Including Roses	President, VP Union Development and Chief Executive jointly	Up to the level of the relevant budget	Financial Controller: £2,000 Engagement Manager (ME): £1,000 Engagement Mgr (JB): £1k exc. Roses Sports Development Manager: £1,000 Sports Co-ordinator: £500 (Roses) VP Activities : £500 for Roses For above £1k , up-to and including £2k: 2 signatories For above £2k: 2 signatories are required(1 must be CE)
Salaries & Wages	Chief Executive	Up to the level of the relevant budget	
Chief Executive costs including Trustee Board expenses			Departmental Administrator: £50 for Trustee Board expenses and General Office costs. Financial Controller : £200 for Trustee Board
Printing			Financial Controller: £200
Legal & Professional Expenses			Financial Controller: £750

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
Planning and Development	Chief Executive	Up to the level of the relevant budget	
Capital Expenditure / depreciation			Financial Controller: £5,000
Insurance	Financial Controller	Up to the level of the relevant budget £10,000 and £5,000 for Bad debts	
PRS			
Non-Recoverable VAT			
Finance Office Costs			Assistant Accountant & Team Leader (in absence of FC): £500
Bad Debts			
Audit Fees			
Information Technology	Financial Controller	£2,000	Information Systems Support Co-ordinator: £500
Academic Rep. System	Education & Support Manager	£2,000 limit : jointly with VP Education	Education Rep.
Advice and Guidance Service	Education & Support Manager	£2,000	Advisor in absence of Ed & Support Mgr.
Welcome Desk	Communications Manager	£1,000	Communications Assistant: £500
Promotion & Communications	Communications Manager		Communications Assistant £500

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
<u>Student Activities</u> <ul style="list-style-type: none"> • Societies • Sport • Central • Events 	See below	See below	See below
<u>Societies</u> : student staff , office admin, promo/ marketing , Activity Group Funding and transport.	Societies: Engagement Manager(JB)	£2,000	Societies & Community Manager : £500
<u>Sport:</u> student staff, office admin, promo/ marketing, Transport, affiliations, Sport funding (inc. competitions).	Sport: Engagement Manager (ME)	£2,000	Sports Development Manager: £500 Sports Co-ordinator: £500 (Funding, affiliations and transport).
<u>Central</u> IT systems Safety Insurances Carter Shield	Central: Engagement Manager (ME) Exc. Insurances which is Financial Controller	£2,000	Sports Development Manager: £500 VP Activities: £500 (Carter Shield)
<u>Events:</u> Gazebo: repairs & sign outs PA : repairs & sign outs Crew training Other Events costs	Events: Engagement Manager (ME)	£2,000	Sports Development Manager: £500

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
Sport England	Engagement Manager (ME)	£2,000	Sports Development Manager : £1,000 Sports Participation Co-ordinators: £500
Sport Lancaster Funding (inc. Roses Devt)	Engagement Manager (ME)	£2,000	Sports Development Manager : £500
Extrav Central	Engagement Manager (ME)	£2,000	Sugarhouse Venue Mgr : £1,000
Designated - Volunteering	Engagement Manager (JB)	£2,000 Note : over £2k – requires Chief Exec. additional sign off	Student Development Mgr: £1,000 Environmental Projects Manager: £500
Retail (Goods for Resale are below)	Financial Controller	£2,000	Retail Manager & Assistant Retail manager : £500 Retail Supervisors: £250(goods other than items for resale)
Sugarhouse (Goods for Resale are below)	Chief Executive	£2,000	Venue Manager: £1,500 Venue Assistant Managers: £1,000

Budget Category	Budget Holder	Authorities & Authorisation Limits	Delegated Authority
Marketing Including Purple Card	Chief Executive	£2,000	Commercial Marketing & Support Manager: £1,000 except bad debts and Welcome Desk
Housing Overheads	Housing Office Manager	£2,000	Assistant Manager & Senior Housing Assistant: £2,000 (SHA only in absence of Housing Manager/ Assistant Manager). This excludes bad debts and non recoverable VAT.
Goods for Resale & Housing Direct Costs	Trading Managers/ Assistant Manager Trading Assistants/ Venue Assistants/Retail Supervisors Financial Controller	£10,000 (Retail) or £15,000 (The SH) Subject to agreed optimum stockholding levels based on Management Group decision £2,000 £25,000	For Housing Direct Costs: Assistant Manager & Senior Housing Assistant: £2,000 (SHA only in absence of Housing Manager/ Assistant Manager)

Notes:

- The President, VP Union Development and Chief Executive can authorise transactions of an unlimited value when countersigning invoices and payment claims (subject to adherence to Financial Regs).
- The JCR budgets may be delegated to the executive of each JCR/ PG Board with the agreement of the LUSU President, VP Union Development and Chief Executive.
- The Financial Controller can authorise expenditure up to £5,000 when acting in the absence of the Chief Executive.

APPENDIX B: INSURANCE LIMITS FOR MONIES HELD IN SAFE

Any unspecified safe	£1,000
Chubb Duogard Grade 1 £150k (Finance)	£10,000
Dudley Europa Grade 1 (Central Stores)	£14,000
Securikey Mini Vault (Welcome Desk)	£3,000
ATM (Central Stores)	£6,000 £200 when premises are closed
ATM (Sugarhouse)	£10,000 in opening hours
Chubb Euro Commerce (Sugarhouse)	£20,000
Dudley Euro Grade 2 (Sugarhouse)	£20,000
Dudley D4 (Sugarhouse)	£4,000