



University of Bath

**Students' Union**

**Bye-Law 2**

**Finance**

## Finance

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*This Bye-law relating to Finance (Bye-law 2) should be read in conjunction with the Regulation relating to Finance (Regulation 2)*

### **1. INTRODUCTION**

#### **1.1. General**

- 1.1.1. This Finance Bye-Law sets out the general principles that govern the conduct of the SU's financial affairs. It does not provide procedural advice. These statements should therefore be read in conjunction with the Regulation relating to Finance (Regulation 2).
- 1.1.2. Further advice regarding the interpretation or application of any of the Finance Bye-Law may be sought from the Chief Executive or Finance Director.
- 1.1.3. Failure to comply with the SU's Articles, Bye-Laws and Regulations is a disciplinary matter that could result in dismissal
- 1.1.4. The SU shall act in accordance with the provision of the Articles of Governance and University Ordinance 24.

### **2. RESPONSIBILITY FOR FINANCE IN THE SU**

#### **2.1. The SU Trustees**

- 2.1.1. The charity trustees of the SU ("the Trustees") shall be as specified in the Articles of Governance.
- 2.1.2. The Board of Trustees is the governing body of the SU. It is responsible for the management and administration of the revenue and property of the SU and has control over the conduct of the SU's affairs. The Board of Trustees maintains an overview of central financial policy through reporting structures which ensure that the agreed policies are being implemented.

#### **2.2. The SU Treasurer**

- 2.2.1. The Board of Trustees shall appoint one of the Independent Trustees as SU Treasurer who shall be the Trustee with principal oversight of the finances of the SU.
- 2.2.2. The SU Treasurer shall report to the University Finance committee on:
  - 2.2.2.1. the Audited Annual Accounts of the SU;
  - 2.2.2.2. the SU's budgets

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- 2.2.3. The SU Treasurer shall report any matters of significant financial concern to the University's Director of Finance and Commercial Services, who shall draw it to the attention of the University Finance Committee at its next meeting.

### 3. **AUDIT**

#### 3.1. **Internal Auditor (University)**

- 3.1.1. The Internal Audit Department is responsible for conducting an independent appraisal of all the University's activities, financial and otherwise. The department is responsible for giving assurance to University Council and the Vice-Chancellor (as Designated Office Holder) on all financial and other control arrangements.
- 3.1.2. The department has access to the SU's records, information and assets which it considers necessary to fulfil its responsibilities. The head of internal audit has a right of direct access to the Board of Trustees, Chair of University Council and the Chair of the University's Audit Committee.

#### 3.2. **External Auditor**

- 3.2.1. The External Auditor is appointed by the Board of Trustees and must be a member of a body of accountants recognised by English Law. A person shall not be qualified for appointment as Auditor if that person is disqualified for appointment as Auditor of the University or who is or any of whose relatives is a member of the SU.
- 3.2.2. The appointment of the External Auditor shall be subject to a tendering exercise, conducted every 5 years.
- 3.2.3. The External Auditor makes a report at least once in every year, and a copy of the audited accounts of the SU together with the Auditor's report is presented to the Finance Committee of the University Council.
- 3.2.4. The External Auditor has the right of access at all reasonable times to the records of the SU and of all affiliated Student Groups. The External Auditor is entitled to require from the representatives of the SU and from the officers of any affiliated Student Group and from the SU's Board of Trustees such information and explanation as may be necessary for the performance of auditing duties.

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### **4. FINANCIAL MANAGEMENT**

#### **4.1. Chief Executive**

- 4.1.1. The SU's Chief Executive is responsible to the Board of Trustees for monitoring and promoting the efficiency and good order of the SU and is the staff member responsible for the administration of the SU's financial affairs.

#### **4.2. SU President**

- 4.2.1. The SU President is the elected full-time SU Officer with specific responsibility for authorising day to day expenditure of the SU.

#### **4.3. Finance Director**

- 4.3.1. The Director of Finance (SU) supports the Chief Executive and Management Group in the development, implementation and monitoring of financial strategy. The responsibility of the day to day operation of the finance team is delegated to the SU Finance Manager.

### **5. BUDGETS, BUDGETARY CONTROL AND MONITORING**

#### **5.1. Preparation and Approval of Budgets**

- 5.1.1. The Board of Trustees shall approve the SU's budgets.

#### **5.2. Budgetary Delegation**

- 5.2.1. The SU's Chief Executive may delegate the management of a budget to permit the performance of a defined range of activities.
- 5.2.2. Any funds not required for their designated purpose(s) revert to the immediate control of the Board of Trustees, subject to any authorised use of virement.
- 5.2.3. The authorisation limits for orders, contracts and other financial commitments shall be as detailed in Regulation 2, Finance

#### **5.3. Budgetary Control and Reporting**

- 5.3.1. Each budget manager is responsible for ensuring that:
- 5.3.1.1. any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the SU Treasurer;

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- 5.3.1.2. the amount provided in the approved budget is not used in whole or in part for any purpose other than specifically authorised subject to the rules of virement.

### **5.4. Capital Expenditure**

- 5.4.1. The general rules applying to delegation and reporting shall also apply to capital expenditure.

## **6. BANKING ARRANGEMENTS**

### **6.1. General**

- 6.1.1. The SU's banking arrangements shall be decided by the Board of Trustees on the recommendation of the SU Treasurer.
- 6.1.2. All arrangements with The SU's bankers concerning The SU's bank accounts, the collection of monies, the issue of cheques or other transfer of funds, shall be made by the Chief Executive/Director of Finance (SU)/SU Finance Manager on behalf of The SU's Board of Trustees. No other person shall, under any circumstances, open or operate a bank account in the name, or holding itself out to be, of The University of Bath Students' Union or any of its student groups.

### **6.2. Tendering and Review**

- 6.2.1. The Director of Finance (SU) will review the banking arrangements for The SU at regular intervals to ensure they reflect best practice and represent value for money by periodically seeking competitive tenders for The SU's banking business.
- 6.2.2. Competitive tenders should be sought at least every 5 years. The results of the tendering exercise should be reported to the SU's Board of Trustees.

## **7. EXTERNAL BORROWING & INVESTMENTS**

### **7.1. External Borrowing**

- 7.1.1. The Director of Finance (SU) will advise the Board of Trustees concerning The SU's ability to pay interest on, and repay, any proposed new borrowing.

### **7.2. Investments**

- 7.2.1. The Board of Trustees is responsible for oversight of all investment of funds of the SU, including those held on Trust.

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- 7.2.2. The Board of Trustees may seek such external advice as it considers necessary and may employ managers for the investment of the SU funds.
- 7.2.3. The Director of Finance (SU) is responsible for remitting all funds for investment with organisations on a list approved by the Board of Trustees, maintaining records of investments, both capital and income, for ensuring safe custody of all relevant documents and for reporting investment performance regularly to the Board of Trustees. No investment of The SU monies shall be made other than in accordance with arrangements approved in writing by the Director of Finance (SU).

### **8. CAPITAL INVESTMENT, FIXED ASSET REGISTERS AND SECURITY OF ASSETS**

#### **8.1. Capital Investment**

- 8.1.1. The Director of Finance (SU):
  - 8.1.1.1. shall ensure that there is an adequate appraisal and approval process in place for determining capital expenditure priorities and the effect of each proposal upon the SU plans;
  - 8.1.1.2. shall ensure that the capital investment is not undertaken without confirmation of purchaser(s) support and the availability of resources to finance all revenue consequences.
- 8.1.2. The Director of Finance (SU) shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.

#### **8.2. Asset Registers**

- 8.2.1. The overall control of fixed assets is the responsibility of the Chief Executive.
- 8.2.2. The SU shall maintain an asset register recording fixed assets, taking account of the advice of the Director of Finance (SU) concerning the form of any register and the method of updating, and arranging for a physical check of assets against the asset register to be conducted once a year.
- 8.2.3. The value of each asset shall be depreciated using methods and rates as specified in Financial Regulations.
- 8.2.4. The Transport & Facilities Co-ordinator and Finance Manager shall prepare detailed procedures for the disposal of assets including condemnations, and ensure that these are notified to managers.

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### 8.3. Security of Assets

- 8.3.1. Asset control procedures (including fixed assets, cash, cheques and negotiable instruments) must be approved by the Director of Finance (SU).
- 8.3.2. All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Executive.
- 8.3.3. Whilst each employee / Trustee / Member has a responsibility for the security of SU property, it is the responsibility of Senior Management / SU Trustees to apply such routine security practices in relation to SU property as may be determined appropriate. Any breach of agreed security practices must be reported in accordance with instructions.
- 8.3.4. Any damage to the SU's premises, vehicles and equipment, or any loss of equipment, stores or supplies must be reported in accordance with the procedure for reporting losses.
- 8.3.5. Where practical, assets should be marked as SU property.
- 8.3.6. All properties of the SU's Student Groups are the properties of the University of Bath Students' Union.

### 9. STOCK AND RECEIPT OF GOODS

- 9.1. Stock should be kept to a minimum, subject to an annual stock-take and valued at the lower of cost and net realisable value.
- 9.2. Overall responsibility for the control of stock shall be delegated in writing to an employee by the Chief Executive. The Director of Finance (SU) will provide financial advice to ensure appropriate systems are in place.

### 10. INSURANCE

- 10.1. The Chief Executive shall effect all insurances as are necessary to protect the SU's interest and negotiate all claims in consultation with budget managers as required.

### 11. VALUE ADDED TAX

- 11.1. The Finance Manager shall make proper arrangements for the prompt payment of Value Added Tax (VAT) due together with appropriate VAT returns within the due dates.



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### **12. SALARIES, WAGES AND FEE PAYMENTS**

#### **12.1. General**

- 12.1.1. All SU personnel are employed by, and hold contracts of employment with, the University of Bath.

#### **12.2. Payment of Wages, Salaries and other Remuneration**

- 12.2.1. Except where specifically directed by the Human Resources Department, all payments of wages, salaries or other emoluments of University office or employment shall be made through the University payroll.

#### **12.3. Sickiness & Other Absences**

- 12.3.1. It is the responsibility of the SU's Chief Executive to notify the appropriate department of the University of any sickness and other absences.

#### **12.4. Employment of Students**

- 12.4.1. Where students of the University are employed for casual work, the arrangements should be made through JobLink, a function of the SU.

### **13. REVISION OF FINANCE BYE-LAW**

- 13.1. This Finance Bye-Law sets out the general principles that govern the conduct of the SU's financial affairs and as such are unlikely to require frequent revision.

- 13.2. The Finance Regulation describes in detail how a specific financial activity must be carried out. As such it sets out recommended best practice and should be followed by all SU areas. As the Finance Regulation describes the detail of actual operations, it is anticipated that this will necessarily change over time to accommodate changing practice.

- 13.3. Each time a Finance Bye-Law or a Finance Regulation is changed, the Governance & Executive Support Manager will issue an appropriate revision. This may consist of the addition or replacement of a complete section of this document or of an individual page or pages.