



University of Bath

**Students' Union**

**Regulation 2**

**Finance**

## Finance

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Any person, whether student or staff, found to be circumnavigating these Regulations will be subject to disciplinary action

This Regulation should be read in conjunction with Bye-law 2 . Further detail on the application of the Regulation can be found in the SU's Financial Procedures

**1. BANKING ARRANGEMENTS****1.1. Introduction**

- 1.1.1. The SU's banking arrangements shall be decided by the Board of Trustees on the recommendation of the SU Treasurer.
- 1.1.2. 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.

**1.2. Current Account**

- 1.2.1. The Director of Finance (SU) will be responsible for seeking competitive tenders for a current banking account.
- 1.2.2. The current account will be maintained to support the day-to-day financial transactions of the SU and will be held in the name of The University of Bath Students' Union.
- 1.2.3. Although the balance in the current account should be kept to a minimum every effort should be made to avoid the account becoming overdrawn.
- 1.2.4. The following are signatories on the current account:

List one signatories (SU Officers):

- SU President
- One other nominated SU Officer

List two signatories (SU Staff):

- Chief Executive
- Director of Finance (SU)
- SU Finance Manager

All disbursements from the current account require two signatories, one from list one and one from list two.

The limits imposed above will apply to both hard copy and electronic transactions in accordance with the limits set out in Regulation 2.7.4

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below.

### 1.3. Deposit Account

- 1.3.1. A deposit account will be held in the name of The University of Bath Students' Union.
- 1.3.2. The deposit account will be maintained for the purpose of retaining a working balance of moneys for funding disbursements through the current account
- 1.3.3. The deposit account is an instant access interest bearing account, used to accommodate surplus funds from the current account. The only transactions permitted are automated transfers from or to other SU accounts including investment accounts.
- 1.3.4. Should the balance in the deposit account become excessive, taking into account future needs, surplus moneys will be invested in line with guidance from the Board of Trustees.

### 1.4. Merchant Acquiring

- 1.4.1. The Director of Finance (SU) will be responsible for seeking competitive tenders for merchant acquiring services for the University of Bath Students' Union, supported by central University purchasing.

## 2. SALES INVOICES

### 2.1. Introduction

- 2.1.1. Sales invoices may only be raised by the SU Finance department. Under no circumstances may any other person request moneys due to the SU either by letter, unofficial invoice or other means.
- 2.1.2. All moneys due to the SU must be notified to the SU's Finance Department in accordance with these Regulations.
- 2.1.3. In order for the SU to maximise its cash flow and accurately report on its financial position it is important that invoices are raised promptly and that there are no delays in the invoice requesting procedure.

### 2.2. Documentation

#### 2.2.1. Invoice Request Form

Unless otherwise agreed an invoice request form is to be used for all requests to raise an invoice. These are available on

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line ([www.bathstudent.com](http://www.bathstudent.com)) as an interactive electronic form or in hard copy from the Finance Office. :

### 2.3. Cancellation or Amendment of Invoices

2.3.1. If an invoice requires amendment or cancellation please note that:

2.3.1.1. Only written instructions from the originating member of staff or his/her manager will be actioned.

2.3.1.2. The reasons for the amendment/cancellation must be stated.

2.3.1.3. To avoid errors please quote the relevant invoice number, if known.

### 2.4. Accounting Procedures

2.4.1. Immediately an invoice is raised the value of the invoice, excluding VAT if appropriate, is credited to the appropriate income budget.

2.4.2. If payment of an invoice is not forthcoming and the debt is written off, the "loss" will be charged to the same department as the income was originally credited to. For further details please see Finance Section 4 - Bad & Doubtful Debts.

## 3. INCOME COLLECTION

### 3.1. Introduction

3.1.1. This note details the requirements over the collection of all income, together with the receipting and banking of income and should be read in conjunction with Section 5 - Security of Cash & Accountable Documents.

3.1.2. The SU Finance Department is the only department authorised to collect and bank income to the SU.

### 3.2. Receipts

3.2.1. There are two types of official receipt:

- a. System generated
- b. Manual receipts - tear off duplicate receipts

No other form of receipt shall be used.

3.2.2. Whichever form of receipt is used the following rules apply:

- a. receipts must be used in strict sequential order

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- b. receipts must not be altered. If a receipt is spoilt it must be overwritten "CANCELLED"
- c. income must be receipted immediately it is received
- d. the copy receipt must be given to the person paying in the remittance as proof of discharge. However, where a remittance is received in the post the copy receipt will only be supplied if there is a specific request

### 3.3. Security

- 3.3.1. Section 5 - Security of Cash & Accountable Documents details the full procedures with regard to security and should be read in conjunction with this Section
- 3.3.2. In summary all income must be held in a safe environment completely separate from any petty cash or other cash holdings.
- 3.3.3. Under no circumstances may income be used to cash cheques for staff, students or the general public.
- 3.3.4. No person may make a payment out of collected cash income unless specifically authorised, in writing, by the Finance Manager.

## 4. BAD & DOUBTFUL DEBTS

### 4.1. Introduction

- 4.1.1. The SU's Finance Department is responsible for monitoring debts, producing follow-up letters and initiating debt recovery procedures if necessary.
- 4.1.2. Should an invoice not be paid, and be written off as a bad debt, the "loss" will be charged to the same department as the income was originally credited to.
- 4.1.3. Should the debt need to be referred to the debt collection agency any recovery costs incurred will be charged to the same budget as the income was originally credited to.
- 4.1.4. In view of the above accounting protocols managers are advised to take an active role in ensuring invoices are settled promptly and in full.

### 4.2. Write Off Procedures

- 4.2.1. A recommendation to approve a debt for write off will be made by the Director of Finance (SU) and be authorised by the

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Chief Executive where the debt totals £5,000 or less and be authorised by the SU Treasurer for all debts over £5,000.

- 4.2.2. The decision to authorise a debt for write off will be based upon:
- the value of the debt proportional to the cost of recovery;
  - any action taken to date;
  - the likelihood of future action being successful

### **5. SECURITY OF CASH & ACCOUNTABLE DOCUMENTS**

#### **5.1. Cash Security**

- 5.1.1. All persons responsible for the collection and receipting of income shall have access to a safe in which all cash and negotiable instruments, such as postal orders and “open” cheques are lodged.
- 5.1.2. All petty cash imprests, floats or income in excess of £100 will be held in a safe.
- 5.1.3. Imprests, floats and cash receipts of less than £100 which are held in areas where safes are not available must be held in locked cash boxes.
- 5.1.4. The cash boxes should be deposited in a safe overnight, where this is not possible the cash box should be held under lock and key overnight and the key retained by the person responsible for the money.
- 5.1.5. All open cheques or postal orders received in the post shall be crossed immediately “A/C University of Bath Students’ Union”.
- 5.1.6. No unofficial funds are to be held in the SU’s safes.
- 5.1.7. Offices where cash is being handled should have access restricted to only authorised personnel.

### **6. PURCHASE OF GOODS AND SERVICES**

#### **6.1. Introduction**

- 6.1.1. The initiation of any purchase on behalf of the SU must be the result of identification of a bona fide requirement for the product or service.
- 6.1.2. Purchasing for the SU shall always be undertaken with the over-riding objective of:
- securing maximum value for money consistent with acceptable standards of quality and delivery.



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- complying with all relevant legislation and avoidance of risk
- 6.1.3. In pursuing these objectives the SU also requires that procedures and processes are in place to ensure that:
- competitive bidding and tender processes are performed
  - suppliers are appropriately selected and authorised for use
  - goods and services are purchased only with proper authorisation
  - goods and services received are correctly recorded
  - payments are only made for goods and services received and authorised
- 6.1.4. The SU believes in the benefits of collective buying and utilises purchasing contracts through both NUS Services Ltd and the University Purchasing department. Such centrally negotiated contract agreements should be used where they exist.

### 6.2. Quotations (No internal, contract or preferred supplier)

- 6.2.1. Value of Contract includes all costs involved in the purchase, including carriage, delivery, postage, packing, maintenance, guarantee/warranty, and VAT. One or more purchases placed (or to be placed) by an area or group with the same supplier count as one contract, i.e. where the works or supply are of a continuing, repeated or recurring nature, the value is to be the amount payable in one financial year. (Where the value is unknown a genuine estimate of annual expenditure must be made.
- 6.2.2. This process commences from the point at which it has been confirmed that there is no pre-existing internal provision or contract for supply of the required goods or service. If in doubt, advice should be sought from the SU Finance Office.

*£500 or less / items required urgently*

- 6.2.3. Obtain a minimum of 2 separate supplier quotations which can be verbal (in person / by phone). A dated file note / written record of the conversations and prices quoted must be maintained for audit purposes. Where the lowest price quoted is not to be accepted, this must be noted or the reason for an alternate choice clearly noted e.g. earliest delivery.

*Purchases between £500 and £9999*

- 6.2.4. Written quotations (letter / email / screen shot) should be obtained from three companies. The prices should be noted on the related correspondence and an order issued to the firm offering the most satisfactory quotation for the delivery and quantity required. Reason for supplier selection should be clearly noted.

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- 6.2.5. In addition equipment purchases over £1000 are liable to fall under the capital heading and as such are subject to the requirements of Finance Section 11 – Management of Capital Resources.
- 6.2.6. Capital purchases require the authorisation of the SU Treasurer. Where the purchase is urgent, authorisation can exceptionally be obtained from the Chief Executive or Director of Finance (SU) who will retrospectively seek the approval of the SU Treasurer. Once approval is granted an order should be issued to the firm offering the most satisfactory quotation for the delivery and quantity required.
- 6.2.7. The purchase of all goods and services must be supported by the raising of an official order. However, budget managers should note the dispensations detailed in Finance Section 9 – Official Order Dispensations.

### *Purchases of £10,000 and over*

- 6.2.8. The advice of the SU Director of Finance (SU) should be sought prior to order in case University tender regulations apply.

### **6.3. Official Orders**

- 6.3.1. The SU's Finance Department shall maintain a list of specimen signatures to ensure that proper and adequate controls are being maintained. Signatures are a vital element in the system of accountability. They are not merely an acknowledgement, but a personal commitment that the order has been made for the proper furtherance of departmental / SU objectives. Falsification of signatures will be viewed as gross misconduct.

#### Goods Received

When goods are received the delivery note should be certified and dated by the person receiving the goods and passed to the SU's Finance Office. The SU's Finance Office will match the delivery note to the Official Order.

### **6.3.2. Trading areas**

A stock of pre-numbered orders shall be allocated to the SU trading areas under strict controls from the Finance Department. More detailed procedures are contained in the SU's Financial Procedures.

### **6.3.3. Non-Trading Departments**

Departments requiring an official order to be raised must complete an Order Request Form. These forms are colour coded;

Green            Sports / Clubs

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Yellow	Societies
Orange	Other SU Non-Trading Departments

The Order Authorisation form must contain the following;

- a. Name of department / club / society /student group
- b. Date
- c. Financial Coding
- d. Full name and address of supplier
- e. Description of goods to be ordered
- f. Authorisation in line with authorised signatory list & authorisation limits

The completed Order Authorisation form must be passed to the SU's Finance Department who will raise an Official Order.

### Goods Received

When goods are received the delivery note should be certified and dated by the person receiving the goods and passed to the SU's Finance Department. The SU's Finance department will match the delivery note to the Official Order.

## **7. AUTHORISED SIGNATORIES**

### **7.1. Introduction**

- 7.1.1. Budgets are delegated to budget managers in accordance with Bye-Law 2, Finance.
- 7.1.2. Although budget managers are not able to delegate their budgetary responsibility they are permitted to nominate budget holders to assist in the certification of expenditure etc. in accordance with these Regulations.
- 7.1.3. The Chief Executive is responsible for reviewing the budget holder nominations, supported by the Director of Finance (SU). Should the Chief Executive decline to accept a nominated person this fact will be relayed to the budget manager in writing.

### **7.2. General**

- 7.2.1. Authorised signatory lists will be renewed annually with effect from the 1st August each year.
- 7.2.2. During the budget setting process budget managers will be required to identify those who they wish to nominate as budget holders in each of the following two categories:

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- Salaries & wages
- Other expenditure

- 7.2.3. Annually budget managers will be sent a separate set of Authorised Signatory sheets, for each of the above two categories, that will detail their nominated budget holders in each category.
- 7.2.4. Budget managers are required to obtain specimen signatures for each of their budget holders and once completed sign and date the documents thereby authorising acceptance of the nominated budget holders.
- 7.2.5. Completed documents must be returned to the Director of Finance (SU) in accordance with the timetable specified at the time.

### 7.3. Amendments

- 7.3.1. Should a budget manager wish to delete a budget holder, during the year, the request for deletion must be put in writing and be sent to the Chief Executive and Director of Finance (SU).
- 7.3.2. A request for deletion must be raised whenever a budget holder leaves employment with the SU or moves to a different area of responsibility.
- 7.3.3. Should a budget manager wish to nominate a new budget holder during the year, a written request must be made to the Director of Finance (SU) and Chief Executive for approval.
- 7.3.4. Requests for new budget holders must include a specimen signature and be sufficiently detailed to ensure only access to intended budgets is authorised.

### 7.4. Schedule of Authorisation Limits

For purchases within the approved limits of the annual budget:

SU General (Including all areas not separately identified)

- a) Order value to £250 Area Administrator
- b) Order value to £2,500 Budget Holder
- c) Order value to £5,000 Budget Holder plus Budget Manager
- d) Order value to £10,000 Budget Manager plus Finance Manager
- e) Order value above £10,000 Budget Manager plus Finance Manager plus Chief Exec/Director of Finance

Student Groups - Sports, Socs, Volunteering Only

- a) Order value to £500 Student Group Treasurer or Chairperson plus Area Administrator or Exec Treasurer
- b) Order value to £2,500 Student Group Treasurer or Chairperson plus

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- c) Order value to £5,000    Exec Treasurer  
Student Group Treasurer or Chairperson  
plus  
Area SU Officer
- d) Order value to £10,000    Area SU Officer  
plus  
Budget Manager or Finance Manager
- e) Order above £10,000    Area SU Officer  
plus  
Budget Manager or Finance Manager  
plus  
Chief Executive or Director of Finance

All purchases above the approved annual budget must be approved by the Chief Executive.

Trading (Goods for Resale)

- a) Order value to £15,000    Budget Manager
- b) Order value above £15,000    Budget Manager plus Finance  
Manager/Chief Executive/  
Director of Finance

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### 8. CERTIFICATION OF EXPENDITURE

#### 8.1. Introduction

- 8.1.1. It is the budget manager/holder's responsibility to ensure that all expenditure they are certifying for payment is legitimate, correct and is not in contravention of any budgetary delegation or statutory provisions.
- 8.1.2. It is also the budget manager/holder's responsibility to source code their expenditure in accordance with Financial coding manuals provided.
- 8.1.3. All expenditure must be coded diligently and under no circumstances may inappropriate codes be used as a means of charging expenditure to under-spending budgets e.g. charging office furniture purchases to publication codes. Under these circumstances a virement must be requested from the Chief Executive.

Under these circumstances a virement must be requested from the Finance Director.

#### 8.2. Invoice Payment (Central Ordering)

- 8.2.1. Suppliers should be instructed to forward invoices to the SU's Finance Department.
- 8.2.2. Upon receipt of an invoice it should be compared to the official order to ensure that the invoice details and price are in accordance with the order & goods received note.
- 8.2.3. The Finance will send/return invoices to departments in the following circumstances:
  - a. Where documentation is incomplete (for example, no goods received note)
  - b. Where there is a significant difference between invoice and order value (normally 10% or £100 whichever is the lower).
  - c. For invoices where orders are not applicable.
- 8.2.4. In the case of 8.2.3, the budget manager should certify the invoice as "correct for payment" and date the document. The date recorded must be either the date the goods were received or the date the invoice was received, whichever is the later.

Following certification the invoice must be financially coded in accordance with paragraphs 8.1.2 and 8.1.3 above.

The invoice must then be forwarded to the SU's Finance Department without delay.

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### 8.3. Private Vehicle Travelling & Other Expense Claims

- 8.3.1. Managers should note that all staff must submit their travel/expense claims once per month at the month end.
- 8.3.2. Claims are submitted through iTrent and require authorisation from the budget manager/holder whose responsibility it is to ensure the validity of the claim.

## 9. OFFICIAL ORDER DISPENSATIONS

### 9.1. Introduction

- 9.1.1. The Finance Bye-Law requires that all goods, services or works are ordered on an official order except:
  - a. works and services executed in accordance with a contract
  - b. purchases from petty cash
- 9.1.2. Although the Finance Bye-Law is explicit it is acknowledged that for certain purchases no order will be raised and it is therefore necessary to provide budget managers/holders with a dispensation from the Finance Bye-Law.

### 9.2. Exempt Goods & Services

- 9.2.1. On-going purchases of the following goods and services are exempt from the requirement to raise an official order:
  - a. All utility charges
  - b. Commercial / Domestic Rate charges
  - c. Newspaper accounts
  - d. Taxi fares
  - e. Subscriptions
  - f. Rents
  - g. Travel claims
  - h. Periodic payments

### 9.3. Payment Certification

- 9.3.1. The lack of an official order puts an additional onus on certifying budget managers to ensure that the invoice value is correct. The responsibilities of budget managers/holders certifying invoices are detailed in Finance Section 8 - Certification of Expenditure.

### 9.4. Additions

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- 9.4.1. Should a budget manager/holder wish to incur expenditure without raising an order that is not exempted under this procedure note or the Finance Bye-Law, written application for exemption should be made to the Director of Finance (SU) or Finance Manager.

**10. STUDENT GROUPS****10.1. Articles of Governance and Officers**

- 10.1.1. All Student Groups must be affiliated to, and are subject to, the Articles of Governance, the Finance Bye-Law and Finance Regulation of the SU
- 10.1.2. The powers of all office-bearers of any affiliated Student Group in financial matters are as limited by the Finance Bye-Law / Regulation. Any person acting in breach of the Finance Bye-Law / Regulation shall be personally liable for any monies owed.

**10.2. Budgets**

- 10.2.1. The executive committees of each sub-group shall allocate budgets on an annual basis to their affiliated groups.
- 10.2.2. The relevant SU Officer shall notify the Finance Manager of the budgets allocated to each group within their area for the forthcoming year, and shall also notify the Finance Manager of any subsequent alteration to these amounts.
- 10.2.3. Student Groups may not spend in excess of their budget, nor can unused budgets be carried forward to the next financial year unless expressly authorised by Finance Committee.

**10.3. Receipts****10.3.1. Membership Fees**

Membership fees shall be determined by each Student Group, subject to the minimum level decreed by the relevant executive committee. Members shall pay their fee to the SU either online or in person at the SU's Finance Office.



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### 10.3.2. Other Income

Student Group receipts are paid into the bank by the SU's Finance Department. The SU's Finance Department will issue a receipt and keep a record of the Student Group making the payment.

### 10.4. Payments

- 10.4.1. Student Groups may request payments only for expenditure incurred within the terms of their Constitution, provided that they have sufficient funds remaining in their budget.
- 10.4.2. A Financial Request Form should be properly completed and signed in accordance with the schedule of authorisation limits as per the Finance Bye-law.
- 10.4.3. Cheques should be collected from the SU's Finance Department, allowing three working days for the payment to be processed. Payment will only be made to a committee member of the Student Group concerned who shall sign the Financial Request form to indicate receipt of the payment.

## 11. *MANAGEMENT of CAPITAL RESOURCES*

- 11.1. The Capital Programme is an integral part of the SU's financial strategy and will be approved by the Board of Trustees.
- 11.2. The Board of Trustees will delegate responsibility to project managers for elements of the Capital Programme as necessary.
- 11.3. It is the responsibility of project managers to ensure that their scheme is completed satisfactorily, on time and to budget.
- 11.4. It is the responsibility of the Director of Finance (SU) to ensure that the overall Capital Programme does not exceed the budget allocated by the Board of Trustees.

## 12. *STORES CONTROL*

### 12.1. Primary Objective

- 12.1.1. The primary objective is to ensure that wherever stores are held there is a record maintained of goods received and goods issued (book stock) in order to identify any discrepancies between the physical stock and the book stock.

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- 12.1.2. Independent Stock checks should be regularly undertaken, at least monthly, in order to verify that there have been no stock losses.
- 12.1.3. It is the responsibility of the SU Finance Manager to determine whether the recording system is adequate, taking into account the type of store and commodity and advice from Director of Finance (SU), Bars & Entertainments Manager and the University's Internal Audit team.

### 12.2. Security

- 12.2.1. Access to all stores should be restricted to authorised personnel only.
- 12.2.2. Security must be adequate with regard to the value/importance of the stock held.
- 12.2.3. Security should be reviewed at least annually

## 13. LOSSES AND CONDEMNATIONS

- 13.1. All losses or condemnations must be reported in writing to the SU Chief Executive. The following list is not exhaustive but should act as a reminder that losses can take many forms:

### 13.2. Common Forms of Losses

- 13.2.1. The following list is not exhaustive but should act as a reminder that losses can take many forms.
 

a) Theft of property or cash	f) Fruitless payments
b) Vandalism	g) Unrecoverable over-payments
c) Fire/flood damage	h) Bad debts
d) Accident damage	i) Goods perishing
e) Unexplained losses	j) Obsolete equipment/stores

## 14. LOANS & BORROWING

### 14.1. Introduction

- 14.1.1. The SU should only need to borrow money in order to facilitate its capital programme. However there may be occasions when cash flow requirements dictate that the SU take out a temporary loan / overdraft.

### 14.2. Authorised Signatories

- 14.2.1. The following people are required to sign loan applications on behalf of the SU following approval by the SU Treasurer:

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Director of Finance (SU) and SU President

### 14.3. Determining Borrowing Requirements

- 14.3.1. It is the responsibility of the Director of Finance (SU) through the cash flow monitoring process to identify the need to borrow.
- 14.3.2. Immediately the cash flow projections indicate a need to borrow the position will be reported to the SU Treasurer.
- 14.3.3. The SU Treasurer will review the cash flow projections and determine the most appropriate course of action.
- 14.3.4. No borrowing must take place in advance of need.

### 14.4. Short-term Borrowing

- 14.4.1. If the SU needs to borrow to avoid cash flow problems there are two options:
  - a. apply for an overdraft
  - b. apply for a short-term loan
- 14.4.2. In order to avoid excessive interest charges the loan will be restricted to the shortest possible timescale as determined by the cash flow projections.
- 14.4.3. Copies of the cash flow projections will be retained to support the decision to take out a temporary loan.

### 14.5. Long-Term Borrowing

- 14.5.1. If the SU's approved capital programme is greater than the available internally generated resources, there will be a need to take out a long-term loan during the financial year.
- 14.5.2. The timing of the loan will be dependent upon the cash flow forecast.
- 14.5.3. Copies of the cash flow projections will be retained to support the decision to take out a temporary loan.

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### **15. INVESTMENT OF SURPLUS CASH**

#### **15.1. Introduction**

- 15.1.1. It is likely that during the course of a financial year the SU will have surplus cash balances. The duration and size of surplus cash balances are identified through cash flow forecasting.

#### **15.2. Investment Option**

- 15.2.1. Surplus cash funds will be invested with the aim of achieving the best rate of return consistent with the level of risk acceptable to the Board of Trustees. Guidance on the appropriate investment vehicles will be provided by the Board of Trustees with consideration given to any ethical and environmental policies in place at the time.

#### **15.3. Authorised Signatories**

- 15.3.1. The Chief Executive and Director of Finance (SU) are authorised to make investments on behalf of The SU.

### **16. SALE OF ASSETS & OBSOLETE EQUIPMENT**

#### **16.1. Introduction**

- 16.1.1. Unless authority has been delegated under this Finance Regulation no asset of the SU may be sold or disposed of without first obtaining the authority of the Chief Executive.
- 16.1.2. Assets in this context refer to anything owned by the SU with a monetary value and include:

Land  
Buildings  
Vehicles  
Furniture  
Computers  
etc.