

## Section 10 – Financial Regulations

### I. General

- A. The control of Union finance shall be vested in the Finance Committee. A resolution of Finance Committee may only be rescinded by another resolution of the Committee or by a motion to a General Meeting.
- B. The Finance Committee shall consider policy decisions of the Executive, Union Council and other Union Committees in as much as they affect finance.
- C. Finance Committee decisions shall have full status as Union policy unless referred back at the subsequent Union Council meeting.
- D. In the event of a Finance Committee recommendation being referred back a second time by Union Council, Finance Committee shall recommend that item direct to a GM and that recommendation shall have full status as Union policy unless over-ruled or referred back by the GM for which it is tabled.
- E. The Finance Committee shall meet at least once between ordinary meetings of Union Council, and shall consider:
  - 1. all matters involving finance of the Union,
  - 2. any expenditure matters not previously sanctioned;
  - 3. any expenditure from reserves.
- F. In an emergency, the Finance & Democracy Officer shall exercise plenary powers in consultation with the other sabbatical officers with any such action being reported to the following Committee meeting.
- G. The Finance & Democracy Officer shall be responsible for the organisation of accounting procedures in conjunction with the designated member of staff.
- H. All Union committees, Clubs and Societies shall conduct themselves in accordance with the Financial Regulations of the Union below.
- I. The Finance Committee has the authority to prevent transactions of account holders where necessary to maintain financial control.
- J. There shall be a document detailing all financial regulations and operating procedures which shall be reviewed annually by the Finance Committee after the presentation of the Auditor's report.
- K. The Union shall not expend funds for activities outside its constitutional objects.
- L. The Union shall not make donations to any external organisation except where: a specific collection has been taken up for that purpose, a separate account has been set up for that purpose, all those making a donation are aware of the destination of their donation, and all reasonable costs associated with collecting the donations are charged against the account. (e.g. RAG donations). Notice of any such collection shall be published in the Union's annual report.

### II. Accounts And Audit

- A. The Finance Committee is responsible for the presentation of audited financial statements for each financial year, which give a true and fair view of the state of affairs of the Union and of the surplus or deficit of the Union for that year. In discharging that responsibility the Finance Committee will:
  - 1. select suitable accounting policies and then apply them consistently;
  - 2. make judgements and estimates that are reasonable and prudent;
  - 3. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
  - 4. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue to operate.
- B. The Finance Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Union. It is also responsible for safeguarding the assets of the Union and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- C. As soon as possible after the 31st July in each year, the accounts shall be drawn up for the preceding financial year, running from 1st August to 31st July.
- D. An annual audit shall be conducted by a Registered Auditor approved by Finance Committee
- E. The accounts after audit shall be presented to Finance Committee together with the Auditor's report for approval.
- F. The approved accounts shall be reported to Union Council and to the AGM, and submitted to the College according to an agreed timetable.
- G. The Finance & Democracy Officer shall carry out an annual inspection of the financial transactions of all Clubs and Societies.

- H. An annual internal audit shall be organised on a schedule and for areas to be agreed by the Finance Committee.
- I. Whenever any matter arises which appears to involve financial irregularity, a report shall be submitted to Finance Committee by the chairperson of the committee involved and by the Finance & Democracy Officer.

### **III. Banking Arrangements**

- A. The Finance Committee shall approve the opening and closing of bank accounts as necessary.
- B. There shall be a cheque-signing committee which shall consist of all Sabbatical Officers, the General Manager and the Finance Manager.
- C. Two signatures (one being a sabbatical officer and one being a member of staff) shall be mandatory on each cheque or other mandate for payment for expenditure under a limit designated by Finance Committee. Three signatures (two being sabbatical officers and one being a member of staff) shall be mandatory on each cheque or other mandate for payment in respect of expenditure over this limit.

### **IV. Ordering of Goods and Services and Payment of Accounts**

- A. Official orders for any goods required or for work to be performed for any Committee, Club, Society or enterprise, shall be on the approved prescribed order form. No other order shall be recognised by the Union.
- B. All official orders and cheque requests must be signed by both the Finance & Democracy Officer and the designated member of staff, except that cheque requests relating to official orders that have already been authorised need only be signed by the designated member of staff. Order Forms relating to specific Sabbatical sections should be signed by the Finance & Democracy Officer in consultation with the relevant officers.
- C. Where certain goods are ordered regularly for the Union (e.g. stationary or beer), the supplier shall be initially approved and appointed persons may be given permission to place such regular orders.
- D. All invoices and accounts submitted for payment shall be on a cheque request form and contain a certifying signature by the appointed person of the Committee or Society or the appointed member of staff.
- E. The Finance & Democracy Officer may impose such checks as they consider necessary on orders and accounts for payments.
- F. Every effort shall be made to ensure that the Union receives its goods and services at the best possible price, including the use of competitive quotations where appropriate.

### **V. Payment Of Salaries And Wages**

- A. Payment of all salaries and wages shall be at the level agreed by the Establishment Committee.
- B. Any variations must be authorised by the Finance & Democracy Officer and the General Manager.
- C. Arrangements for the disbursement of such must be made by the designated member of staff.

### **VI. Petty Cash Accounts**

- A. Any Officer of the Union, or Treasurer of any Club or Society or other appointed person may be granted petty cash up to a designated limit on provision of receipts or grounds of emergency.
- B. The recipient of such petty cash shall be responsible for its custody, proper expenditure, and the recording thereof.

### **VII. Contracts**

- A. All contracts made by the Union or in the name of the Union on behalf of the Union by a Committee, Society or Club of the Union shall be signed by the designated member of staff and the appropriate sabbatical officer, except that:
  - 1. Contracts for recurrent expenditure (e.g. electricity or maintenance of equipment) may be made by appointed persons, which shall be specified in the annual operating procedures.
  - 2. Contracts for the letting of Shenley Sports Grounds shall be signed by the Chairperson of the Sports Grounds Committee and the Union General Manager.
  - 3. Contracts for employment of staff shall be signed by the General Manager or designated member of staff.
- B. All contracts for capital works or equipment or which entail a recurrent expenditure shall be submitted to Finance Committee for their approval.

- C. All contracts involving initial expenditure in excess of a designated amount shall normally be submitted for tender and at least three estimates shall be submitted to the Finance Committee who shall decide which if any to accept.
- D. Any club or society entering into any form of sponsorship contract without the express agreement of the Union Services Committee risks disaffiliation from the Union

**VIII. Income**

- A. The Finance & Democracy Officer shall ensure adequate arrangements for:
  - 1. the proper recording of all sums due to the Union;
  - 2. the collection, custody, control, and prompt and proper accounting of all cash within the Union.
- B. Accounts for income due to the Union shall be rendered on the approved invoice form.
- C. Any sums due to the Union shall not be written off as irrecoverable except after Finance Committee has received a report thereon.
- D. The Union's income shall be as defined in the Union's Constitution.
- E. All money received on behalf of the Union or by an Officer of a Society or Club on behalf of the Society or Club shall be paid in within seven days of receipt to the designated member of staff.
- F. All sums received shall be paid into the Union bank account not less than once every two days.
- G. All receipt forms shall be approved by the Finance & Democracy Officer and ordered and controlled by the designated member of staff.

**IX. Stocks And Stores**

- A. A delivery note submitted by the supplier must be obtained in respect of every delivery of goods.
- B. All goods must be checked as to quantity received at the time of delivery and as regards compliance with specification as soon as possible thereafter.
- C. The Finance & Democracy Officer may arrange spot checks of stocks and stores as may be deemed necessary from time to time.
- D. Any surpluses or deficiencies revealed by stocktaking shall be reported to Services and Finance Committees in order that appropriate action can be taken.
- E. Stores and equipment considered to be surplus or obsolete, but carrying a book value of over the designated limit may not be sold or otherwise disposed of without the consent of the Finance & Democracy Officer who may refer the matter to Finance Committee.
- F. Each Society or Committee, having custody of stocks or equipment, shall be responsible for maintaining records of such and submitting an annual update to the Finance & Democracy Officer.

**X. Insurance**

- A. The Union shall maintain appropriate insurance cover, to include employers liability, public liability, interruption of business, fire/theft, and libel, as well as others which are considered prudent to safeguard the Union's assets.
- B. All insurance of the Union shall be under the direction and control of Finance Committee and administered by the designated member of staff.
- C. Committee Chairpersons and Society or Club Officers shall give prompt notification to the designated member of staff of new risks, additional property or equipment, or alterations in existing risks.
- D. Clubs, Societies and Committees shall advise without delay the designated member of staff of any loss or occurrence which may give rise to an insurance claim.

**XI. Investments**

- A. Finance Committee may make or vary investment of the funds of the Union as outlined by Union policy and shall inform Union Council of such.

**XII. First and Revised Estimates**

- A. The Finance & Democracy Officer shall prepare and submit for the ensuing financial year an estimate of expenditure and income to the Finance Committee, shown under the same headings as in the accounts.
- B. In drawing up these estimates, the Finance & Democracy Officer shall incorporate the estimates submitted by the Union Committees, Clubs and Societies.
- C. The Finance & Democracy Officer shall present the First Estimates to a joint meeting of Finance Committee and the Executive for approval.
  - 1. The General Secretary shall chair the joint meeting.

2. Any member of the Union may propose a change in the estimates as submitted by giving the account number and name from which they wish to take money, and the account number and name of the account where they wish the money to go.
  3. No money shall be moved unless it is moved to an existing account.
  4. Any proposal to create a new account at the First Estimates stage should be given in writing to the Finance & Democracy Officer at least 24 hours before the meeting.
  5. No proposal may change amounts allocated for Establishment costs.
  6. Finance Committee shall vote first on proposals and the Executive shall vote second, save the Finance & Democracy Officer who will only have the casting vote to be exercised if Finance Committee is equally divided.
  7. Any changes to the Estimates as submitted must be agreed by both Finance Committee and the Executive. Any proposal to alter the Estimates which is not agreed by both sides will fall.
  8. When there are no more proposals to alter the First Estimates, the Chair shall put the estimates to a vote. Finance Committee shall vote first. The Chair may not move to a vote on the estimates before those present have had the chance to move proposals for change.
  9. The Estimates approved by the joint meeting shall be reported to Union Council, and may be referred back by a two-thirds majority vote.
  10. In the event of an agreement not being reached at the joint meeting, a second meeting shall be scheduled not more than two weeks after the date of the first meeting.
  11. Should no agreement be forthcoming at the second meeting as to the acceptance of the First Estimates as a whole, the First Estimates as approved by Finance Committee shall be submitted to a Union Council for approval.
  12. Should the Council fail to agree the First Estimates, it shall be at the discretion of the Finance Committee as to whether they should be re-submitted to another meeting of Council.
  13. If the second Council called for this purpose also fails to approve the estimates approved by Finance Committee, the Finance & Democracy Officer shall be required to submit the First Estimates as approved by Finance Committee to College.
- D. The approved First Estimates shall be submitted to the appropriate College Officer together with an application for subvention according to the timetable required by UCL.
- E. The approval of the estimates shall constitute the annual budget and be deemed as authorisation to spend up to, but not exceeding, the amount of the budget under each heading. All proposals for expenditure in excess of, or not within, the budget shall be submitted to Finance Committee for consideration.
- F. The Finance & Democracy Officer shall revise the budget as necessary, according to the following:
1. The previous year's actual figures and the revised estimates for the current financial year shall be submitted together with a report thereon, by the Finance & Democracy Officer to Finance Committee no later than 31st January of each year;
  2. The total budget will not exceed the total agreed in the first Estimates, unless the Finance & Democracy Officer is able to negotiate a higher amount with College;
  3. The revised estimates must be reported to the Executive and to Union Council, but need not be approved by them.