

Financial Guidelines for Societies

2023/24

Introduction

This guide gives an overview and how your society finances work, what you can and can't spend specific funds on, and any rules you must follow. The guide has been produced with reference to the SU Student Group Policy and Bath SU's financial regulations, both of which can be found on subath.com. You will still need to attend finance training, but you can use this document as a helpful reference throughout the year.

All examples and references to societies are hypothetical.

Your Society Finance Account

All funds belonging to a society are held in a central SU account and not separate ones for each society. However, a record of the amount each society has at their disposal is kept and maintained by the SU finance office. You can also access your societies ledger via the Expenses365 app or by requesting a copy from the SU finance office

Societies must not open a private bank account to hold their society funds. They also must not use personal accounts to store society funds. Using a personal bank account for society transactions can put that person at huge financial risk. The SU finance accounts are there to protect your members.

Societies are encouraged to keep a record of their spending by keeping your own spreadsheet of income and outgoings. This is especially useful when you are planning a large event (for example, end of year Ball) and you will need to pay various companies at different times.

Sum Up card machines

These are available from the SU finance office should you require them for an event to take payment of items such as refreshments or programmes. To book a card machine you will need to contact the SU finance office in advance. The money will go in the SU account and will then be allocated to your group as income.

Income

There are several ways that a society can raise funds. Funds from different means have different restrictions on how they can be spent.

Society's Rollover

At the end of the financial year, and after all necessary payments/refunds have been processed, any remaining funds from society income (event income, sponsorship, grants etc) will be rolled over into your society account for the 2023-24 financial year.

Bear in mind rollover allocation will NOT appear on your society ledger, but you will be sent a Rollover form with the amount allocated for that year ending usually mid-August.

Societies Membership Fund

The general £3.00 membership giving students access to over 100 societies, will be held in the Societies Membership Fund and Societies will be able to apply for funding for specific projects.

This allows flexibility and chances for all societies to get money for innovative activities, be that in-person or virtual.

An application will need to be submitted to the SU Societies and the Activities Executive Committee will decide the outcome of each application.

Societies can charge a membership fee to join (but this is not compulsory) which is usually a minimal amount. Membership fees can be altered at points throughout the year, for example, half price for semester 2.

Membership fees must be paid either online via subath.com or in person at the SU finance office, payment is by card only.

Sponsorship

Societies may gain sponsorship from external companies though these must be arranged in conjunction with the marketing department. The process for seeking out and arranging contracts is outlined by the marketing department on thesubath.com and some restrictions do exist on suitable companies and activities.

Always consult with marketing when arranging sponsorship!

Sales (Items/Experiences)

This category covers money paid to the society in return for goods (e.g., merchandise, equipment), attendance of an event (e.g., socials or activities) or trips. Transactions will take place online via the subath.com to keep accurate financial records. If you are asked to send an invoice, you must request this through SU finance, and they will send one on your behalf. You must not create an invoice yourself on behalf of your society.

Sales (Services)

Some societies can sell a service either to other societies or to externals. For example: Arts societies may take payment for performing at events either on or off campus. Most activities of Backstage Technical Services fall under this umbrella. A society is allowed to sell services but must follow financial regulations for payment. All payments for a service must be paid into the society's account for the society benefit, services are not to be paid to an individual.

If a contract is necessary for the agreement always discuss this with the Activities office staff and finance department before agreeing. Once again, if you need to raise an invoice, you must ask SU finance to do this for you.

Signatories

For financial transaction requests made by societies there must always be at least two signatories. One of these will always be the treasurer or chair of the society and the identity of the other(s) depends on the amount to be transferred (but will be either Activities Officer, Activities Exec Treasurers or Activities Office staff. Either way, the finance form must be processed through the Activities Office before it is approved.

The only society members who can act as a signatory on any financial form is the Chair or Treasurer. If you purchased something for your society and need to be reimbursed – for example, if you bought cakes for a cake sale on your personal bank card, you must get the Chair or Treasurer to sign the form. If you are the Chair or Treasurer and need to be reimbursed, you cannot sign your own finance form, you must ask the other to act as signatory.

Signing Contracts

Some events and social may require societies to sign paperwork which in some way legally binds the SU (for example, venue hire).

Society committee members do not have the power to sign these. Any legally binding paperwork can only be signed by the Activities Officer (or, if unavailable, the SU President), the SU Chief Executive or a Deputy Chief Executive. If a society signs a contract, they become personally liable for any costs, so make sure you get it signed by the above!

Purchasing and Quotations

When buying items for your society, you should always check if the SU has a supplier (as they may be able to get a better price). For example, when ordering flyers or booking coaches it is common to do this through the SU.

Where the items will cost £500 or less (or are urgently required) the society needs to obtain at least 2 quotations, although these can be verbal so long as amounts are recorded in writing.

For purchases totalling between £500 and £9999 at least 3 quotations should be obtained in writing. Any amount over £1000 will require the signature of the SU Activities Officer, or if urgent, the Finance Director.

It is not enforced that the supplier offering the cheapest quote must be used as it is recognised that other factors (e.g., speed of delivery) may influence the decision. However, where the cheapest quote is not chosen you must give reasons why.

Acceptable Use of Funds

Income from different sources has different restrictions on how it can be spent:

Societies Membership Fund

The Societies Membership Fund is a pot of money which is funded from Societies Membership money and is made available to societies every year.

SMF money must be used to further the mission of the society. When applying for funding from the Societies Membership Fund, the amount applied for will be specifically linked to an event which requires funding or to items required for purchase. Requests are considered on an item-by-item basis and so when your SMF is granted you should be informed what items it has been granted for. The allocated funding is then tied to those purchases and should be primarily used for them

In general, this means that any use of this funding must be equally beneficial to all members whether that be relating to an event, equipment or social. For equipment, whilst not everyone necessarily needs to be able to use the equipment it must be for the general good of the society.

For example: ChaOS may purchase percussion instruments with funding money though not everyone will use it. This is allowable because its availability broadens the scope of music that could be performed which does benefit all involved.

There are many grey areas surrounding what does and does not benefit all. Finances are approved at the discretion of the Exec Treasurers in conjunction with staff and the rest of the executive committee.

For example, prizes for competitions can be purchased from membership income, should the society charge a minimal amount for membership, so long as all members can enter the competition.

Funding may not be used to fund a society committee social or to purchase society clothing for them e.g., hoodies/T-shirts. Committee members must purchase their own clothing.

Sponsorship

The use of sponsorship income is not restricted by SU regulations, but in most cases will be constrained by the sponsorship contact itself. Generally, it is a good idea to bear in mind the source of the money and what they would be happy for it to be used on. For example, a company could offer £500 to buy hoodies for all the society's members. That society would not be able to spend this money on an end of year Ball instead.

Income from Sales (All)

This source of income is the least restricted of all. It is generally viewed that the society can do with this money what it wishes to further the development of the society.

You must ensure that funds are being used for the society and not personal gain.

Alcohol

There is no reason why alcohol cannot be purchased if it fits into the rules of acceptable use. However, SU guideline regulations regarding alcohol must be followed. For example, non-alcoholic alternatives must be available, nobody is pressured into partaking and the consumption is sensible.

As a few specific examples:

- 1) If a social is ran where all attendees get a drink on arrival, and this is covered by the cost of the ticket - there is no problem.
- 2) If a networking event is run which is appropriate to the activities of a society and alcoholic and non-alcoholic refreshments are provided - this is fine.
- 3) If a society are on a social and a committee member buys shots for a few members of the society - this is **NOT** OK.

End of Year

The financial year for societies starts on 1st August each year (which is when the new committee comes into post). All transactions from the previous academic year must be completed by this date.

According to charity law, no profit can be made by a society from year to year. All balances should be returned to zero by the end of this period.

Please note, while societies shouldn't be trying to make a profit, the balances don't return to zero should they have funds in the society's account.

Whilst it should be the aim to end the year as close to the 0 point as possible, all regulations around acceptable use of funds still applies. Throughout semester 2 societies should keep an eye on their finances to ensure that they do not over or underspend. If you feel your

society is likely to end, making a profit, it is advisable to liaise with the committee for the following year to enquire as to what investments could be made in preparation. If you are concerned you may end up in debt, the society chair and treasurer should immediately contact the Activities Officer to Societies Coordinators.

Should a society end the year overdrawn they will be notified by the Activities Officer who will inform them of the action to be taken. If it is a small amount the Activities Officer is allowed to wipe the excess, returning the balance on the account to 0. This action is at their discretion, and it should not be assumed that the power will be used.

For larger debts the society, in collaboration with the Activities Officer and Societies Coordinators, are required to produce a plan for how to recover the overdrawn amount (which may be done over the next academic year). You will need to make up this debt within one academic year. Failure to complete within this period, the society will be recommended to the disciplinary panel with a view to immediate disaffiliation.

What if we break the Rules?

As a committee member, you are responsible for your finances and ensures that you always follow regulations. If a society breaks these rules, they can be called to a disciplinary (either as a group or individually), which can result in disaffiliation.

Any Questions?

If you have any questions regarding the content of this document, please to consult the Activities Officer, Exec Treasurers, or Activities Office staff.

Up dated June 2023