

THE STUDENTS' UNION (THE SU) FINANCE POLICY

Rationale: To set out how the SU properly conducts their financial affairs.

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INTRODUCTION

1. Policy Statement

- 1.1. The SU recognises that strong financial controls are an integral part of good financial management.
- 1.2. The aims of this policy are to:
 - protect the charity's assets;
 - identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud;
 - ensure that financial reporting is robust and of sufficient quality;
 - ensure that the trustees comply with charity law and regulation relating to finance.
- 1.3. The Finance Policy sets out the fundamental principles that underpin all financial transactions undertaken by or on behalf of the SU and they are supported by other Policies and more detailed operational procedures.
- 1.4. Further advice regarding the interpretation or application of the Finance Policy may be sought from the Chief Executive or Head of Finance.
- 1.5. Any person, whether student or staff, found to be circumnavigating these Regulations will be subject to disciplinary action.
- 1.6. The SU shall act in accordance with the provision of the Articles of Governance and University Ordinance 24.
- 1.7. It is anticipated that some points of this policy will necessarily change over time to accommodate changing practice. Each time a point of the policy is changed, the Senior Administrator (Governance) will issue an appropriate revision. This may consist of the addition or replacement of a complete section of this document of an individual page or pages.

2. Students' Union/University relationship

- 2.1. Section 22 of the Education Act 1994 requires the University of Bath Council to ensure the financial affairs of the Students' Union are properly conducted through the monitoring and approval of its annual budget. Council delegates its functions in relation to the budget and accounts to its Finance Committee, who receive the audited annual accounts of the Students' Union each year.
- 2.2. In addition to the above, the SU recognises that its responsibility for finance is shared with the University of Bath because:
 - they are the employer of all SU staff;
 - they are the landlord of all buildings occupied by The SU;
 - they are the University at which The SU student members are registered.
- 2.3. The SU recognises that this relationship could cause confusion. Therefore The SU will ensure in setting out the following policy and any relating procedures that these are in line with the University's own where reasonably appropriate.

3. Responsibilities for Finance

3.1. The Board of Trustees are responsible for:

- approving an annual budget for The SU;
- approving the annual Trustees' report and audited accounts for submission to the Charity Commission;
- safeguarding the assets of the charity and ensuring proper application of resources;
- taking steps for the prevention and detection of bribery, fraud, financial abuse and other irregularities;
- reporting to the Charity Commission if a serious incident happens or is suspected to have taken place in relation to The SU.

3.2. The Finance & Audit Committee are responsible for:

- agreeing an annual budget to the Board of Trustees for their approval;
- maintaining oversight of the SU's finances;
- monitoring financial sustainability and risk

3.3. The Chief Executive and Head of Finance are responsible for:

- ensuring the finance policy is put into practice;
- liaising with the University on financial matters and ensuring this policy is up to date;
- recommending an annual budget to the Finance & Audit Committee for their approval;
- the design and implementation of financial procedures within The SU;
- monitoring the financial performance of The SU and providing assurance reports to the Board of Trustees.

3.4. The SU President is the elected full-time SU Officer with specific responsibility for finance.

3.5. Heads of Departments and managers are responsible for:

- managing their areas of operation in line with the agreed budget for their respective areas;
- having an appropriate awareness of the finance policy and ensuring that their respective department/team operate in accordance with SU financial procedures;
- ensuring that staff and volunteers are made aware of and understand the finance policy along with its related procedures;
- ensuring that staff and volunteers receive any necessary finance training relevant to their area of work.

3.6. All staff and volunteers are responsible for:

- having an appropriate awareness of the finance policy and ensuring that they operate in accordance with SU financial procedures;
- co-operating with supervisors and managers on financial matters;
- reporting all financial concerns to an appropriate person (as detailed above)
- being conversant with the SU's policies and adhere to the principles and guidelines therein
- being familiar with the University's Financial Regulations, policies and procedures

3.7. SU staff must not sign any contracts, leases, or other important documents in the SU's name. Any such documents must be signed by the Trustees in accordance with the Scheme of Delegated

Authority.

- 3.7.1. If there is any uncertainty as to what is considered 'contracts, leases, or other important documents', The Chief Executive or Head of Finance must be consulted.

4. Accounting Records & Fund Accounting

4.1. Accounting Records

- 4.1.1. The Head of Finance is responsible for ensuring that all financial transactions are recorded on the SU's accounting system, Exchequer.
- 4.1.2. All SU accounting records (including invoices, receipts etc) must be retained for 6 years from the end of the financial year in which they are made.
- 4.1.3. All financial transactions will be coded in accordance with the SU Coding Manual.

4.2. Fund Accounting

- 4.2.1. All financial transactions will be assigned to a fund based on the restrictions on its use:
- Restricted funds – reserves that can only be used for specific purposes that are narrower than the SU's overall charitable purposes.
 - Designated Funds – unrestricted reserves set aside for essential spending or future commitments
 - Free Reserves – unrestricted reserves freely available to spend on any of the SU's charitable purposes.

4.2.2 The level of Free Reserves is determined by the SU Reserves Policy.

5. Financial Reporting

- 5.1. The SU's financial year runs from 1 August to 31 July the following year.
- 5.2. The Trustees are responsible for preparing an annual Trustees' Report and Financial Statement in accordance with applicable law and United Kingdom Accounting Standards. The financial statements must give a true and fair view of the state of affairs of the SU and of its incoming resources and application of resources of the SU for that period.
- 5.3. In preparing these statements the Trustees are required to;
- Keep proper accounting records
 - Select suitable accounting policies and then apply them consistently;
 - Observe the methods and principles in the Charities SORP;
 - Make judgments and estimates that are reasonable and prudent;
 - State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
 - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Union will continue in business.
- 5.4. Responsibility for the preparation of the Financial Statements is delegated to the Chief Executive/ Head of Finance through the Scheme of Delegated Authority.
- 5.5. Management Accounts

- 5.5.1. The Finance Manager will produce monthly management accounts for budget holders, officers and managers reporting financial performance against budget. The Head of Finance will report quarterly to the Finance & Audit Committee on financial performance by way of income & expenditure accounts, cash flow, fund movements, capital expenditure and presentation of key financial indicators.

6. Budgets, Budgetary Control and Monitoring

- 6.1. The Head of Finance will prepare the SU's annual budget.
- 6.2. The Board of Trustees shall annually approve the budget for The SU prior to the start of each financial year.
- 6.3. The budget will be sufficient to meet the SU's strategic objectives and the requirements of the SU's Reserves Policy.
- 6.4. The Chief Executive may delegate to a Budget Manager the management of a budget to permit the performance of a defined range of activities.
- 6.5. Budget Managers will be responsible for ensuring:
- any likely overspending or reduction of income which cannot be met by virement is not incurred without the prior consent of the Head of Finance;
 - 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.
- 6.6. Budget Managers will not be permitted to delegate their budgetary responsibilities but may nominate budget holders to assist in the certification of expenditure etc.
- 6.7. Budget Managers will be required to identify those they wish to nominate as budget holders submitting a request to the Chief Executive and Head of Finance for approval.
- 6.8. All requests for new budget holders must include a specimen signature and be sufficiently detailed to ensure only access to intended budgets is authorised.
- 6.9. Should a Budget Manager wish to delete a budget holder, during the year, the request for deletion must be submitted to the Chief Executive and Head of Finance. Such requests must be raised whenever a budget holder leaves employment with the SU or moves to a different area of responsibility.
- 6.10. Any funds not required for their designated purpose(s) will revert to the immediate control of the Board of Trustees, subject to any authorised use of virement.
- 6.11. The authorisation limits for orders, contracts and other financial commitments shall be as detailed in the Schedule of Authorisation Limits (found in Section 8 of this policy).
- 6.12. The general rules applying to delegation and reporting shall also apply to capital expenditure.

7. Student Groups

- 7.1. All Student Groups affiliated to The SU are subject to the Articles of Governance and all SU policies including the Finance policy.

- 7.2. The powers of all committee members of any affiliated Student Group in financial matters are as limited by the Finance policy.
- 7.3. The area SU Officer shall allocate budgets on an annual basis to their affiliated groups.
- 7.4. The relevant SU Officer shall notify the Finance Manager of the budgets allocated to each group within their area for the forthcoming year and if there are any subsequent alterations to these amounts.
- 7.5. Student Groups may not spend in excess of their means, nor can unused funds be carried forward to the next financial year unless expressly authorised by the SU Officer.
- 7.6. Membership fees shall be determined annually by the Area team. Members shall pay their fee to the SU either online or in person at the SU's Finance Office.
- 7.7. Student Group receipts are paid into the bank by the Finance team. The Finance team will issue a receipt and keep a record of the Student Group making the payment.
- 7.8. Student Groups may request payments only for expenditure incurred in line with the Student Groups Policy guidelines and providing that they have sufficient funds remaining in their budget.
- 7.9. Any request form should be properly completed and signed in accordance with the schedule of authorisation limits.

8. Schedule of Authorisation Limits

- 8.1. For purchases within the approved limits of the annual budget:

SU General (<i>Includes all areas not separately identified</i>)	
Value	Authorised personnel
Up to £500	Area Coordinator
Up to £2500	Budget holder
Up to £5000	Budget holder + Budget Manager
Up to £10,000	Budget Manager + Finance Manager
Above £10,000	Budget Manager + Finance Manager + Chief Exec or Head of Finance

8.2.

Student Groups	
Value	Authorised personnel
Up to £2500	Student Group Treasurer or Chairperson + Exec Treasurer or Area Coordinator
Up to £5000	Student Group Treasurer or Chairperson + Area SU Officer
Up to £10,000	Area SU Officer + Budget Manager or Finance Manager
Above £10,000	Area SU Officer + Budget Manager or Finance Manager + Chief Executive or Head of Finance

8.3.

Trading (<i>Goods for resale</i>)	
Value	Authorised personnel
Up to £10,000	Budget Manager
Above £10,000	Budget Manager + Chief Executive or Head of Finance

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

9. Fundraising

- 9.1. The SU must be made aware of ALL fundraising activity undertaken officially as part of the SU.
- 9.2. All Fundraising activity must be carried out in adherence with the SU Fundraising policy.
- 9.3. The SU's charitable status means that by law, student groups cannot fundraise for anyone other than themselves or the SU. RAG is the exemption to the rule; therefore, all charitable fundraising transactions must go via the RAG account. These regulations do not include raising money specifically for a student group.
- 9.4. Any charity must be approved in advance to ensure that they are a registered UK charity.

INCOME

10. Sales Invoices

- 10.1. Sales invoices may only be raised by the Finance team. Under no circumstances may any other person request moneys due to the SU either by letter, unofficial invoice or other means.
- 10.2. All monies due to the SU must be notified to the SU's Finance team in accordance with this Finance policy.
- 10.3. 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.
- 10.4. Unless otherwise agreed an invoice request form is to be used for all requests to raise an invoice. These are available on line (www.bathstudent.com) as an interactive electronic form or in hard copy from the Finance Office.
- 10.5. If an invoice requires amendment or cancellation please note that:
 - only written instructions from the originating member of staff or their manager will be actioned.
 - The reasons for the amendment/cancellation must be stated.
 - To avoid errors please quote the relevant invoice number, if known.
- 10.6. Once an invoice is raised the value of the invoice, excluding VAT if appropriate, is credited to the appropriate income budget.
- 10.7. 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 see Bad & Doubtful Debts (this can be found in Section 12 of this policy).

11. Income Collection

- 11.1. The Finance team is the only department authorised to collect and bank income to the SU.
- 11.2. Income must be receipted as soon as it is received.

- 11.3. The SU does not accept cash. Income can be accepted via card payments, cheques, bank transfers, standing orders or online transactions.
- 11.4. Under no circumstances may income be stored in any bank account other than the central SU one.
- 11.5. Card readers are available for departments and groups to use at events in line with the Card Reader procedures. No groups or individual should use any card reader other than an official SU device.

12. Bad and Doubtful Debts

- 12.1. The SU's Finance team is responsible for monitoring debts, producing follow-up letters and initiating debt recovery procedures if necessary.
- 12.2. 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.
- 12.3. 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.
- 12.4. In view of the above accounting protocols managers are advised to take an active role in ensuring invoices are settled promptly and in full.
- 12.5. A recommendation to approve a debt for write off will be made by the Head of Finance and be authorised by the Chief Executive where the debt totals £10,000 or less and be authorised by the SU Finance and Audit Committee for all debts over £10,000.
- 12.6. 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

EXPENDITURE

13. Purchase of Goods and Services

- 13.1. 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.
- 13.2. 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.
 - complying with all relevant legislation and avoidance of risk.
- 13.3. 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

- 13.4. 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.
- 13.5. 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.
- 13.6. 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 Finance team.

14. Payment of Invoices

- 14.1. Invoices are normally received by the Finance Team who are responsible for accurate processing of all purchase invoices including VAT analysis and confirming correct coding of goods.
- 14.2. If a PO has been raised, the Finance Team will use this as evidence of authorisation and arrange for the invoice to be paid once the budget holder has confirmed receipt of the goods or services.
- 14.3. If the value of an invoice is different to that of a PO this should be approved by the budget holder.
- 14.4. In the event that an invoice needs paying ahead of receipt of goods or services Budget Manager approval is required.
- 14.5. BACS transfer is the preferred method of payment by the SU.
- 14.6. The Finance Department will send/return invoices to departments. The authorised signatory should sign to certify the invoice as “correct for payment” and date the document. The invoice must be financially coded and forwarded to the SU’s Finance Department without delay.

15. Capital Expenditure

- 15.1. Equipment purchases over £2500 are liable to be classed as a capital purchase.
- 15.2. Capital purchases over £10,000 require the authorisation of the SU Finance and Audit Committee. Where the purchase is urgent, authorisation can exceptionally be obtained from the Chief Executive or Head of Finance who will retrospectively seek the approval of the SU Finance and Audit Committee. Once approval is granted an order should be issued to the firm offering the most satisfactory quotation for the delivery and quantity required.
- 15.3. For purchases of £10,000 and over the advice of the Head of Finance should be sought prior to order. A tender process will be instigated requiring written quotations from at least three companies. The chosen supplier will meet the criteria set and prove value for money.

16. Purchase Orders

- 16.1. Departments requiring an official order to be raised must complete an Order Request Form containing the following:
- Name of department / club / society / student group
 - Date
 - Financial Coding
 - Full name and address of supplier
 - Description of goods to be ordered
 - Authorisation in line with authorised signatory list & authorisation limits
- 16.2. The completed Order Authorisation form must be passed to the Finance team who will raise an Official Order.
- 16.3. When goods are received the delivery note should be certified and dated by the person receiving the goods and passed to the Finance team. They will match the delivery note to the Official Order.

17. Expenses

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

18. Stock Management

- 18.1. Stock should be kept to a minimum, subject to an annual stock-take and valued at the lower of cost and net realisable value.
- 18.2. Overall responsibility for the control of stock shall be delegated in writing to an employee by the Chief Executive. Head of Finance will provide financial advice to ensure appropriate systems are in place.
- 18.3. The primary objective of stock control 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.
- 18.4. Independent Stock checks should be regularly undertaken, at least monthly, in order to verify that there have been no stock losses.
- 18.5. It is the responsibility of the Finance Manager to determine whether the recording system is adequate, taking into account the type of stock and commodity and advice from Head of Finance and Head of Commercial-Venues & Events.
- 18.6. Access to all stock should be restricted to authorised personnel only. Security must be adequate with regard to the value/importance of the stock held and should be reviewed annually.

19. Insurance

- 19.1. The Head of Finance and the Facilities & Technical Manager shall arrange all insurances as are necessary to protect the SU's interest and negotiate all claims in consultation with Budget Managers as required.

20. Value Added Tax

- 20.1. 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.
- 20.2. The Head of Finance is responsible for monitoring the primary and non-primary trading activity of The SU.
- 20.3. The Head of Finance is responsible for the annual review of VAT classifications and the non-business/business apportionment.

21. Banking Arrangements

- 21.1. The SU's banking arrangements shall be decided by the Finance & Audit Committee on the recommendation of the Head of Finance.
- 21.2. All arrangements 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/Head of Finance/Finance Manager on behalf of the Board of Trustees.
- 21.3. 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.
- 21.4. The Head of Finance 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.
- 21.5. 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.
- 21.6. A 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. Although the balance in the current account should be kept to a minimum every effort should be made to avoid the account becoming overdrawn.
- 21.7. The following are signatories for the current account:
- 21.8. List one signatories (SU Officers):
- SU President
 - One other nominated SU Officer
- 21.9. List two signatories (SU Staff):
- Chief Executive
 - Head of Finance

- 21.10. All disbursements from for the current account require two signatories, one from list one and one from list two.
- 21.11. The limits imposed above will apply to both hard copy and electronic transactions in accordance with the limits set out in the schedule of authorisation limits.
- 21.12. A deposit account will be held in the name of The University of Bath Students' Union.
- 21.13. The deposit account will be maintained for the purpose of retaining a working balance of monies for funding disbursements through the current account.
- 21.14. 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.
- 21.15. 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.
- 21.16. The Head of Finance will be responsible for seeking competitive tenders for merchant acquiring services for the University of Bath Students' Union, supported by central University purchasing.

22. Credit Cards

- 22.1. The SU will hold a central credit card for use by staff which will be stored within the Finance Office and will not leave the premises at any time.
- 22.2. A credit card will be held by the Chief Exec and the Head of Finance. Card holders are responsible for the security and safekeeping of the card and related pin and must not 'lend' the card to anyone else.
- 22.3. Cards will only be used in exceptional circumstances when traditional purchase order and invoicing options are not available.
- 22.4. All card purchases must be supported by receipts and passed directly to the Finance Team.

23. Prepaid Cards

- 23.1. The SU holds prepaid cards for use by student groups when travelling abroad.
- 23.2. Prepaid cards must be requested at least 1 month before the group's departure date and will only be issued to the group treasurer or other nominated committee member.
- 23.3. The card holder will be required to sign a declaration to confirm that they will adhere to the terms and conditions of use.
- 23.4. Card holders are responsible for the security and safekeeping of the card and related pin and must not 'lend' the card to anyone else.
- 23.5. The card must be returned to the SU Finance Department once the group returns to the UK along with receipts for all card transactions. The actual spend total on the card will be charged against the relevant student group fund.

24. Merchant Acquiring and PCI DSS

- 24.1. The Head of Finance will be responsible for seeking competitive tenders for merchant acquiring services for The SU Bath.
- 24.2. The SU will ensure PCI DSS Compliance (Payment Card Industry Data Storage Integrity) with regards to SU credit card machines and the information they hold.
- 24.3. All staff that deal with card transactions must be aware of the SU PCI DSS Compliance procedures document which ensures the SU is fully compliant. The procedures are reviewed periodically by the Head of Finance to ensure they remain up to date.

25. Loans and Borrowing

- 25.1. 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.
- 25.2. It is the responsibility of the Head of Finance through the cash flow monitoring process to identify the need to borrow.
- 25.3. If the cash flow projections indicate a need to borrow the position will be immediately reported to the Finance & Audit Committee who will review and with the Head of Finance determine the most appropriate course of action.
- 25.4. The following people are required to sign loan applications on behalf of the SU following approval by the SU Finance and Audit Committee:
 - Head of Finance
 - SU President
- 25.5. No borrowing must take place in advance of need.

26. Investments

- 26.1. The Finance & Audit Committee is responsible for oversight of all investment of funds of the SU, including those held on Trust.
- 26.2. 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.
- 26.3. 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.
- 26.4. The Board of Trustees may seek such external advice as it considers necessary and may employ managers for the investment of the SU funds.
- 26.5. The Chief Executive and Head of Finance are authorised to make investments on behalf of The SU.
- 26.6. The Head of Finance 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 Head of Finance.

27. Capital Investment, Fixed Asset Registers and Security of Assets

- 27.1. The Head of Finance:
- 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;
 - 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.
- 27.2. The Head of Finance shall issue procedures for the regular reporting of expenditure and commitment against authorised expenditure.
- 27.3. The SU shall maintain an asset register recording fixed assets, taking account of the advice of the Head of Finance 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.
- 27.4. Intangible fixed assets acquired are recognised as a cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised to write off the cost of the asset less its residual value over the useful life on the following basis:
- | | |
|----------|-------------------------|
| Software | - 3 years straight line |
|----------|-------------------------|
- 27.5. Tangible fixed asset purchases more than £2,500 are capitalised at cost and subsequently measured at cost less accumulated depreciation, and impairment. Depreciation is calculated to write off the cost of the asset, less its residual value over the useful life on the following basis:
- | | |
|------------------------|------------------------------|
| Equipment | - 2 to 5 years straight line |
| Motor vehicles | - 4 years straight line |
| Leasehold Improvements | - 8 years straight line |
- 27.6. The Head of Finance shall prepare detailed procedures for the disposal of assets including condemnations and ensure that these are notified to managers.
- 27.7. Asset control procedures (including fixed assets, cash, cheques and negotiable instruments) must be approved by the Head of Finance.
- 27.8. All discrepancies revealed by verification of physical assets to fixed asset register shall be notified to the Chief Executive.
- 27.9. Whilst each employee/Trustee/Member has a responsibility for the security of SU property, it is the responsibility of Senior Management/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.
- 27.10. 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.
- 27.11. Where practical, assets should be marked as SU property.

- 27.12. All properties of the SU's Student Groups are the properties of the University of Bath Students' Union.
- 27.13. No asset of the SU may be sold or disposed of without first obtaining the authority of the Chief Executive or Head of Finance.
- 27.14. Assets in this context refer to anything owned by the SU with a monetary value such as land, buildings, vehicles, furniture, computers, etc.

28. Audit

- 28.1. The University's Internal Audit Department has a right to access SU records, information, and assets where necessary for fulfilling its responsibilities.
- 28.2. 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.
- 28.3. The appointment of the External Auditor shall be subject to a tendering exercise, conducted every 4 years.
- 28.4. 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.
- 28.5. 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 Board of Trustees such information and explanation as may be necessary for the performance of auditing duties.

29. Risk Management

- 29.1. The SU acknowledges the risks inherent in the business including those that pose a significant risk to the financial sustainability of the SU.
- 29.2. The Board of Trustees has overall responsibility for risk through the development of its Risk Management Policy.
- 29.3. The Chief Executive is responsible for ensuring that the Senior Managers Team develop and maintain an SU risk register.

30. Business Continuity

- 30.1. The SU maintains a business continuity plan.
- 30.2. The SU has business continuity insurance in place to cover the organisation against the loss of business income as a result of fire, flood, major theft, damage or other significant insured event.

31. Salaries, Wages and Fee Payments

- 31.1. All SU personnel are employed by, and hold contracts of employment with, the University of Bath.
- 31.2. 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.
- 31.3. The University of Bath are responsible for ensuring:
- the records required by HMRC of PAYE deducted from the wages and salaries of employees are maintained;
 - that statutory deductions are paid to HMRC as required and pension contributions paid across to the pensions provider promptly;
 - that deadlines for year-end returns to HMRC are met including P35, P11D and P60 or the data required for 'real time information' submissions to HMRC are complete and submitted on a timely basis;
 - minimum wage legislation is adhered to;
 - only authorised or required deductions are made from pay;
 - each employee has a proper contract of employment and that individuals are not incorrectly classified as self-employed;
 - legal obligations in relation to pension scheme arrangements are met.
- 31.4. It is the responsibility of the Head of Department to notify the appropriate department of the University of any sickness and other absences.
- 31.5. The SU must adhere to the University's regulations for the tax and employment status of any individual providing a service to the SU to ensure the correct rights, responsibilities and tax treatment are applied.
- 31.6. It is the responsibility of the budget holder engaging the service to determine the tax and employment status by following the NESA procedures and ensuring all staff have completed the relevant training provided by the University.

Students' Union Scheme of Delegated Authority 2023/24

This Scheme of Delegation came into force on [date] and is subject to review by the Board of Trustees on an annual basis.

The Board of Trustees, which is the governing body, is responsible for the overall strategic direction of the charity. The Board delegates the day-to-day running of The SU to the Chief Executive and their senior management team.

The Table below broadly sets out the key differences between governance and management:

Governance	Management
Overview of the organisation as a whole	Day-to-day operation of programme or projects
Long-term strategy and policy	Short to medium-term implementation of plans
Processes and frameworks for effective working	Detailed planning and supervision
Accountable for actions and decisions made by the organisation	Responsible for delivery of actions and decisions
Compliance with current legislation	

The following scheme of delegation sets out the respective responsibilities of the Board, Management and students within The SU.

Strategy & planning	Approve	Agree	Recommend	Reference
Strategies and KPIs	Board of Trustees	Leadership Committee	Management	
Risk register	Board of Trustees	Finance & Audit Committee	Management	Risk Management Policy
Business continuity plan	Board of Trustees	Finance & Audit Committee	Management	
Operational area plans	Leadership Committee	Chief Executive	Management	
New work not included in area plans or strategy	Leadership Committee	Relevant Head of Department	Management	

Governance	Approve	Agree	Recommend	Reference
Articles of Governance amendments	University Council + Student Referendum + Charity Commission	Board of Trustees	Management	Articles of Governance (14)
Scheme of Delegation amendments	Board of Trustees	Finance & Audit Committee	Management	Articles of Governance (56-60)
Establish/dissolve committees	Board of Trustees	-	Management Finance & Audit Committee Leadership Committee	Articles of Governance (61)
Establish/dissolve joint-committees with University	Board of Trustees University	-	Management Officers	Articles of Governance (61)
Establish/dissolve own sub-committees	Finance & Audit Committee Leadership Committee	-	-	Articles of Governance (67)
Committee's terms of reference amendments	Board of Trustees	-	Finance & Audit Committee Leadership Committee	Articles of Governance (61)
Independent Trustee appointments	Board of Trustees	Chair/Vice Chair	Recruitment Panel	Articles of Governance (43)
Trustee/Officer dismissal	Board of Trustees (or) Student Referendum	-	-	Articles of Governance (48)
Vice Chair appointment	Board of Trustees	-	Trustees	Articles of Governance (74)
Chair/Vice Chair dismissal	Board of Trustees	-	Trustees	Articles of Governance (75)
Board secretary appointment/removal	Board of Trustees	Chair/Vice Chair	Recruitment Panel	Articles of Governance (78)
External Auditors appointment/removal	Board of Trustees	Finance & Audit Committee	Finance Team	
Incorporate SU	Board of Trustees	Finance & Audit Committee Leadership Committee	Management	Articles of Governance (4.8)
Emergency use of Board powers	Chair/Vice Chair	-	Management	Articles of Governance (76)

Policies	Approve	Agree	Recommend	Reference
Create new policies	Board of Trustees	Finance & Audit Committee (or) Leadership Committee	Management	Articles of Governance (54)
Finance policy amendments	Board of Trustees	Finance & Audit Committee	Head of Finance	Finance & Audit Committee Terms of Reference
Reserves policy amendments	Board of Trustees	Finance & Audit Committee	Head of Finance	Finance & Audit Committee Terms of Reference
Complaint policy amendments	Board of Trustees	Leadership Committee	Governance Coordinator	Leadership Committee Terms of Reference
Student Member Disciplinary policy amendments	Board of Trustees	Leadership Committee	Governance Coordinator Head of Commercial income Head of Activities	Leadership Committee Terms of Reference
Data protection policy amendments	Board of Trustees	Finance & Audit Committee	Governance Coordinator Web Manager	Finance & Audit Committee Terms of Reference
Privacy policy amendments	Board of Trustees	Finance & Audit Committee	Governance Coordinator Web Manager	Finance & Audit Committee Terms of Reference
Health & Safety policy amendments	Board of Trustees	Leadership Committee	Governance Coordinator Facilities coordinator	Finance & Audit Committee Terms of Reference
Safeguarding policy amendments	Board of Trustees	Leadership Committee	Safeguarding Officers	Health & Safety Committee Terms of Reference
Student Groups policy amendments	Board of Trustees	Leadership Committee	Head of Activities Volunteering & Societies Manager	Leadership Committee Terms of Reference
Equality, diversity & inclusion policy amendments	Board of Trustees	Leadership Committee	Deputy Chief Executive	Leadership Committee Terms of Reference
Risk management policy amendments	Board of Trustees	Finance & Audit Committee	Chief Executive	Finance & Audit Committee Terms of Reference
Fundraising policy amendments	Board of Trustees	Leadership Committee	Head of Finance Volunteering & Societies Manager	Finance & Audit Committee Terms of Reference

Staffing	Approve	Agree	Recommend	Reference
Chief Executive appointment	Board of Trustees	Chair/Vice Chair of Board of Trustees University HR	Recruitment Panel	Articles of Governance (68)
Chief Executive dismissal/disciplinary	Board of Trustees	Chair/Vice Chair of Board of Trustees University HR	-	Articles of Governance (72)
Chief Executive objectives	Chair/Vice Chair of Board of Trustees	Chief Executive	-	Articles of Governance (71)
Staff appointment/dismissal/disciplinary	Line Manager	University HR	-	-
Staff restructure	Board of Trustees	Finance & Audit Committee	Management	

Complaints & Student Member Disciplinary	Approve	Agree	Recommend	Reference
Issue sanctions to student members	Governance Coordinator		Management	Student Member Disciplinary policy

Stage 1 disciplinary appeal response	Chief Executive (or) Deputy Chief Executive			Student Member Disciplinary policy
Stage 2 disciplinary appeal response	Complaints & Disciplinary committee			Student Member Disciplinary policy
Formal complaint response	Head of Department		Management	Complaint policy
Stage 1 complaint appeal response	Chief Executive (or) Deputy Chief Executive			Complaint policy
Stage 2 disciplinary appeal response	Complaints & Disciplinary committee			Complaint policy

Student Groups	Approve	Agree	Recommend	Reference
Affiliate new student group	Executive Committee	Management	Students	Student Group policy
Discipline/disaffiliate student group	Leadership Committee		Management	Student Group policy
Appoint associate member to student group	Relevant Officer	Management	Student Group	Articles of Governance
Appoint additional committee member to student group	Student Group committee			Student Group policy
Remove committee member from Student Group	Management			Student Member Disciplinary policy
Set Student Group membership fee	Executive committee	Student Group committee		
Student group event/trip/activity	Management	Student Group committee		
Invite external speakers	Governance Coordinator	Student Group committee		

Student Representation	Approve	Agree	Recommend	Reference
Agree SU Standpoint on student issue	SUmmit	-	Students Officers	SUmmit terms of references
Overturn SU Standpoint	Board of Trustees	-	Trustee Management	Summit terms of reference
Hold referendum on student issue	Board of Trustees	-	Students SUmmit Officers	Articles of Governance (28-31)
Appointment of Returning Officer and Deputy	Board of Trustees	-	Management	Articles of Governance (32)
Set election rules/timetable	Returning Officer			Articles of Governance (33)
Resolve election complaints/issues	Returning Officer or Deputy			Articles of Governance (33)
Elect student Officers/representatives/group committees	Students			Articles of Governance (35)

Financial Management	Approve	Agree	Recommend	Reference
Trustees annual report & accounts	Board of Trustees	Finance & Audit Committee Leadership Committee	Management	Articles of Governance (59)
Annual budget	Board of Trustees University	Finance & Audit Committee	Finance Team	Articles of Governance (59)
Spending of reserves	Finance & Audit Committee	Head of Finance	Management	Reserves policy
Opening/closing of bank accounts	Board of Trustees	Finance & Audit Committee	Finance Team	Finance Policy
Entering into contractual agreements (Up to £10,000)	Chair of Board of Trustees and 1 other Trustee	Chief Executive Head of Finance	Management	
Entering into contractual agreements (Above £10,000)	Chair of Board of Trustees and 1 other Trustee	Finance & Audit Committee	Management	

Authorisation limits	Approve	Agree	Recommend	Reference
Writing off bad debt (Up to £10,000)	Chief Executive	Head of Finance	Management	Finance Policy
Writing off bad debt (Above £10,000)	Finance & Audit Committee	Head of Finance	Management	Finance Policy
Budgeted expenditure (Up to £10,000)	As per Finance Policy Schedules	As per Finance Policy Schedules	As per Finance Policy Schedules	Finance Policy
Budgeted expenditure (Above £10,000)	Chief Executive/Head of Finance	Budget Manager	Budget Holder	Finance Policy
Non-budgeted spend/contract/agreement (Up to £10,000)	Chief Executive	Head of Finance	Management	Finance Policy
Non-budgeted spend/contract/agreement (Up to £50,000)	Finance & Audit Committee	Head of Finance	Management	Finance Policy/Reserves Policy
Non-budgeted spend/contract/agreement (Above £50,000)	Board of Trustees	Head of Finance	Management	Reserves Policy