Cambridge University Students’ Union

FINANCIAL PROCEDURES & REGULATIONS

Manager responsible for review: Financial Process Manager
Date of last review and update: June 2017
Date of The Board of Trustees approval: 16th June 2017
Next review date: 3 years from approval or as and when required
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Chapter One: Introduction

Purpose & Preamble

1. The aim of this document is to clarify and ratify financial procedures and regulations that must be adopted throughout CUSU (the “Union”) by all staff, officers and volunteers/groups in the conduct of the financial transactions of the Union.

2. These procedures and regulations are integral to working and acting on behalf of CUSU and every individual has a responsibility to be familiar with them and ensure adherence thereto.

3. All student groups affiliated to the Union are subject to the financial regulations in this document. The powers of all office-bearers of student groups or committees in financial matters are as limited by these financial procedures. Any persons acting in breach of the financial regulations shall be personally liable for any monies owed.

4. Amendments to this text require the approval of the Board of Trustees before alterations can be made.

5. Copies of this document are available on the CUSU website, cusu.co.uk.

6. This document is a ‘live’ working document and, from time-to-time, will require amendments and updates. The document will be reviewed annually. The Financial Process Manager will communicate any changes as and when necessary.

7. Failure to comply with the procedures and regulations of this document and any future revisions may result in disciplinary procedures commencing. This decision will be at the discretion of the General Manager.

8. These procedures and regulations form a schedule to the constitution and in the event of any conflict the constitution is the overriding document of authority.
Ownership, Status and Accounting Dates

1. The full name of the organisation is ‘Cambridge University Students’ Union’ and is also referred to as ‘CUSU’ (and, within this document only, the ‘Union’).

2. CUSU is an ‘Unincorporated Association’. It has independent charitable status, charity #288365. It is regulated by the Charity Commission under charities law and the University of Cambridge under the Education Act 1994.

3. CUSU’s principal place of business is: The Students’ Unions’ Building, 17 Mill Lane, University of Cambridge, Cambridge CB2 1RX.

4. CUSU’s ‘Value Added Tax’ (VAT) registration number is 215655370.

5. The trustees of Cambridge University Students’ Union are as defined in the Union’s constitution, presently forming of five ‘sabbatical officer’ trustees, three ‘external’ category trustees and two student lay trustees.

6. The financial year shall run from 1st July – 30th June.

7. CUSU is required to ensure an external audit is undertaken annually; appropriate insurance cover is to be maintained adequate to the Union’s general risk profile and liability held by the Union’s trustees.

8. As per the Union’s Standing Orders, this Financial Procedures Manual (nominated as finance policy), shall determine:

   i) the mandate and policy of operation of any bank account in accordance with Clause 65 (Bank Account) of the CUSU Constitution;
   
   ii) the levels of authorisation required for processing expenditure, receiving income and holding assets;
   
   iii) the restrictions and limitations of signatories and approvers, including but not limited to the restriction upon all trustees, volunteers, employees or staff against the authorising of payment to themselves, their partner or relatives; and,
   
   iv) the process by which budgets are set, expenditure committed and expenses claimed from individuals.

9. Further to the above, Finance Policy shall provide for the following principles:

   v) all bank accounts must be in the name of the organisation;
   
   vi) new accounts may only be opened by a decision of the Board of Trustees, which must be minuted;
   
   vii) changes to the bank mandate may only be made by a decision of the Board of Trustees, which must be minuted;
   
   viii) all cheques must be signed by two signatories;
   
   ix) with the exception of payroll payments, which shall have specific accountability measures provided for in this manual, all Internet Bank Transfers must be authorised by two signatories;
   
   x) the signatories are responsible for examining the payment documentation prior to signing or approving expenditure;
   
   xi) a computerised accounting system must record cheques and cash received and banked, and cheque payments, Internet Banking Transfers and other amounts paid from the bank accounts;
xii) every transaction will be recorded in accordance with best practice book-keeping practice and will include at a minimum:

xiii) the date of the transaction,

xiv) the name of the person money was received from or paid to and the full amount,

xv) brief description of why the money was received or paid, and

xvi) an analysis of each amount under its relevant budget heading, where applicable;

xvii) all documents relating to receipts and payments will be filed in the month they are input into the accounting system;

xviii) a regular digital backup copy will be stored securely; and,

xix) records shall be maintained in accordance with statutory guidance and regulation and as required for audit.
Chapter Two: Resource Management Function of the Board of Trustees

1. The Board of Trustees shall:
   a) allocate funds in accordance with the Constitution and Standing Orders (save that no governing document will prevent the trustees from performing their legal duties as trustees as defined under relevant charity law);
   b) be responsible for the finances and the financial management of the Union;
   c) be responsible, on behalf of CUSU Council, for the property and assets of the Union; and,
   d) act as the staffing committee of CUSU, always treating such business as Reserved Business.

Legal constraints on expenditure

2. It is the responsibility of the Trustees of CUSU to ensure that all money is spent within legal guidelines, in particular the 1994 Education Act and Charity legislation partly as described in guidance issued by the Charity Commission.

3. It is the responsibility of the Trustees to ensure that information on VAT, Charitable Status, Charities Commission advice, and other legal or quasi-legal information is kept up-to-date, made readily available and distributed to those concerned where appropriate.

4. The Trustees, being legally responsible for all moneys spent, may overrule on any proposed expenditure on any item in cases where they believe that such expenditure would be illegal, even where the proposed expenditure is as desired by CUSU Council.

5. Where trustees are in doubt as to the legal status of any proposed expenditure, legal advice should be sought.

6. CUSU Council may instruct the Trustees to take legal advice regarding constraints on expenditure, and should be kept informed of any such advice received.

7. The Charity Commission would expect the charity trustees to ensure systems and procedures are in place to safeguard the assets of the charity; prevent fraud; and, keep financial records in accordance with the governing document and relevant legislation.

8. A copy of this policy and procedures will be given to all trustees and elected officers on their election/appointment, and to all relevant staff, officers and volunteers.

For further information regarding The Board of Trustees, please refer to the Constitution. This is available on the CUSU website, cusu.co.uk.

Primary Functions

9. The primary finance functions of The Board of Trustees are to:
   a) Consider income and expenditure items presented through the annual budget process and approve a financially sustainable budget for the forthcoming financial year.
b) Consider and authorise/reject revenue expenditure items that arise during a financial year in addition to the original budget

c) Consider and authorise/reject fixed asset purchases included within the original budget and fixed asset purchase requirements arising during the financial year

d) Regularly monitor the financial performance of CUSU comparing actual results to budgeted income and expenditure

e) Provide guidance to management in the financial matters of CUSU

f) Consider new business opportunities presented as and when they arise

g) Ensure expenditure is incurred in line with the strategic goals of CUSU

h) Approve/reject material projects that may generate significant income streams and/or involve a significant allocation of resources.

10. The primary finance functions of The Board of Trustees *Reserved Business* are to act as staffing committee for CUSU and consider:

a) Decide upon ‘cost of living increase’ requests;

b) Decide upon material refocusing of service provision which has staffing implications;

c) Decide upon any other employment matter that has financial implications for CUSU; and,

d) The Board of Trustees Reserved Business may also consider other matters that are deemed to be of a confidential nature. This may include matters deemed to be of a commercially sensitive nature.

**Submitting reports to The Board of Trustees**

11. Reports submitted to The Board of Trustees can either be for information and/or decision making purposes.

12. Reports should be clear and include all relevant information necessary to make an informed opinion and/or aid the decision-making process

13. Where applicable, reports should assess a number of different options and scenarios and provide a recommended option for the committee to consider

14. The Board of Trustees may request additional information subsequent to a report being presented if information is unclear and/or incomplete

15. It is recommended that reports should be submitted six working days prior to the meeting to enable committee members to consider the papers presented.

16. The Board of Trustees meets at least five times per year. Please refer queries regarding The Board of Trustees dates to the President or General Manager.

17. The General Manager should be notified of an agenda item request at the earliest opportunity (in their role as secretary to the Board). Reports regarding normal The Board of Trustees business should be submitted to the General Manager no later than a week before the meeting date.

18. Reports regarding The Board of Trustees Reserved Business should be submitted via the General Manager, Financial Process Manager or President where applicable.
19. To ensure a consistent format for reports presented to The Board of Trustees, the following template is provided for guidance purposes -

<table>
<thead>
<tr>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose: For decision/information</td>
</tr>
<tr>
<td>Recommendation: Approval/Approval with Amendment/‘Option X’</td>
</tr>
<tr>
<td>Summary: Write summary…</td>
</tr>
<tr>
<td>Additional Cost: Highlight any changes to resources…</td>
</tr>
<tr>
<td>Added Value: Why this option adds value to the current practice of the Union and why the status quo needs changing</td>
</tr>
</tbody>
</table>

**Aims:** …. What are you aiming towards? Where does it fit with CUSU strategy?

**Proposal:** …. What is the specific plan?

**Who:** … Who does it involve? If an internal partner, who are they?

**The Implications of the Proposal:** … What are the implications for the organisation? Will this cause a change in direction? If it is outside funding is it following us or are we following if?

**Option One:** Information

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternatives</th>
<th>Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

**Option Two:** Information

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternatives</th>
<th>Nothing</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

**Conclusions:** … Conclusions & recommendations for approval or disapproval
Chapter Three: Bank Accounts & Management of Bank Balances

General Restrictions

1. Requests to open a new CUSU bank account or to close an existing one must be approved by the Board of Trustees. All requests should initially be directed towards the Financial Process Manager for investigation. Final approval by CUSU Council will be required for the establishment of or amendments to bank accounts.

2. The name on all CUSU bank accounts must be ‘Cambridge University Students’ Union.’

3. The Board of Trustees must approve any application to the bank to arrange for short term borrowing facilities (e.g. an overdraft) or long-term loans.

4. The transaction process shall have three main elements, of which two are mandatory:
   i) “Budget-holder approval”
   ii) “Trustee approval” (mandatory),
   iii) “Signatory approval”, subject to authorising limits and procedures as in 7 below (mandatory).

5. The account signatories for all CUSU bank accounts must consist of:
   a) three members of staff (Financial Process Manager, General Manager and an appointed deputy (“Deputy GM”), e.g. the Fundraising & Services Manager;
   b) one Sabbatical Trustee, who shall normally be the President;
   c) one External Trustee, who shall be excluded from phone and online transactions.

6. The Financial Process Manager must review account signatories annually in July of each year. Updated account signatories must be communicated to the bank via mandate with an effective date of 15th July each year.

7. All expenditure processed through CUSU bank accounts must be authorised by at least two account signatories, with prior approval recorded as given by a budget-holder and a sabbatical trustee, or a resolution by the Board of Trustees, excepting instances outlined below:
   a) This is with the exception of weekly and monthly payroll payments, which only require one signature. The Financial Process Manager has responsibility for authorising payroll payment runs prior to the automated transfer being processed; prior to any authorisation being given by the Financial Process Manager, approval must be sought by the General Manager or Board of Trustees.
   b) Authorising limits - The following limits must be adhered to when authorising payments from CUSU bank accounts:
### Table showing authorisation limits and terms for ordinary, single transactions:

<table>
<thead>
<tr>
<th>Limit/Signatory</th>
<th>Single Payment Up to £5k.</th>
<th>Single Payment £5k - £20k.</th>
<th>Single Payment over £20k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>Sabbatical Trustee signatory, FPM or GM.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secondary</td>
<td>Sabbatical Trustee signatory, FPM or GM, External Trustee or Deputy GM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additional Requirement</td>
<td>Prior approval from Budget-Holder &amp; at least 1 Sabb. Trustee to give Trustee approval.</td>
<td>Prior approval from Budget-Holder &amp; at least 1 Sabb. Trustee and 1 additional trustee to give Trustee approval. Prior to payment being sent/processed, the payment should be printed and circulated to all trustees at least 24 hours prior to processing the transaction.</td>
<td>Assent noted in BoT minutes (or assented virtually by BoT) and/or approval granted via CUSU Council.</td>
</tr>
<tr>
<td>Reserve</td>
<td>Any other signatory.</td>
<td></td>
<td>None.</td>
</tr>
<tr>
<td>Safeguards and restrictions</td>
<td>No signatory or trustee may approve expenses to themselves at either the “Trustee approval” or “Signatory approval” stage. No single trustee shall be permitted to authorise “Trustee approval” and “Signatory approval” in any one/same transaction. Online bank transactions shall be reviewed by a non-“processing signatory” before processing as per stipulation in the Standing Orders. All approvals must be dated and recorded with evidence retained.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Table showing authorisation limits and terms for combined (“batch”) or payroll transactions:

<table>
<thead>
<tr>
<th>Limit/Signatory</th>
<th>Batch Payment (Purchase Ledger Suppliers)</th>
<th>Batch Payment (Payroll)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>FPM</td>
<td>General Manager (in absence of FPM)</td>
</tr>
<tr>
<td>Secondary</td>
<td>Individual payments must have been authorised separately prior to processing (in the normal way). Batch payments over £5k require additional approval of a Sabbatical Trustee who has not, to</td>
<td>1. Salary levels approved through governance structures. A payment schedule must be produced (i.e. printed from payroll administration software) and authorised by: i) A trustee; and, ii) A signatory who is not the same individual tasked with processing the payroll payment. 2. Once payroll processed and transaction complete, the “processing signatory” shall print a record of: i) recipients &amp; amounts paid in payroll payment;</td>
</tr>
</tbody>
</table>

1 “processing signatory” shall mean the particular signatory who processed the payroll payment via CUSU’s bank account.
<table>
<thead>
<tr>
<th>Reserve</th>
<th>Any other signatory.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safeguards and restrictions</td>
<td>No signatory or trustee may approve expenses to themselves at either the “Trustee approval” or “Signatory approval” stage. No single trustee shall be permitted to authorise “Trustee approval” and “Signatory approval” in any one/same transaction. Online bank transactions shall be reviewed by a non-“processing signatory” before processing as per stipulation in the Standing Orders. All approvals must be dated and recorded with evidence retained.</td>
</tr>
</tbody>
</table>

8. The above process is subject to any authorisation limits or terms as described in the Constitution and Standing Orders:

9. Under no circumstances can an account signatory authorise a payment directly to themselves. The Financial Process Manager must ensure different signatories are used when authorising payments to an account signatory.

10. CUSU currently has two main bank accounts, exclusive of reserve accounts attached to each:
   a) Natwest Current Account
   b) Co-op Account

**Natwest Current Account**

11. All CUSU income and expenditure must be processed through the current account.

12. The Financial Process Manager must reconcile all transactions processed on an ongoing basis.

13. Ideally interest is not earned on the current account and balances remaining in this account should be transferred to the deposit account or an associated reserve account (such would normally be an automatic process)

**Co-op Holding Account / deposit account**

14. Transfers are made on a daily basis by sweep from the current account to keep the balance of the current account at a minimal level.
15. The maximum level of funds must be kept within the deposit account to ensure interest is received on cash balances.

16. The Financial Process Manager and the General Manager are authorised to transfer funds from the current account to deposit account/s to maximise interest receivable.

17. The deposit accounts can be in the form of:
   a) Call Accounts – Ongoing account that can be increased/decreased on a daily basis.
   b) Periodic Deposit Accounts – Cash balances can be invested for weekly, fortnightly, monthly and quarterly periods.

18. The Financial Process Manager must monitor transfers and interest receivable on an ongoing basis.

19. The Financial Process Manager are authorised to make transfers up to the value of £50k and/or up to a period of three months for any one investment. Any transfer over £50k requires notification and approval of the trustees.

20. It is the responsibility of the Financial Process Manager to ensure all transfers are within any cash-flow constraints.

21. The Board of Trustees must approve all investments considered to be outside the normal investment activity of CUSU. This relates to any investment that:
   a) Exceed the limits set for the Financial Process Manager of £50k and/or the three-month investment period for any one investment.
   b) Is a non-Co-op investment, or Natwest deposit account.
   c) Is deemed to be a higher risk investment where high-risk is defined as any investment that does not guarantee a ‘100% return of capital + interest.’

**Internet & Telephone Banking**

22. For operational purposes, the Financial Process Manager uses both Internet and telephone banking facilities.

23. All new banking facilities must be authorised in accordance with the bank mandate and have the sufficient ‘trustee approval/s’ required.

24. Bank signatories will be set-up as ‘primary users’ where necessary although operational control will be the responsibility of the Financial Process Manager.

25. The Financial Process Manager must adhere to the authorisation requirements and limits stated in before processing any transactions using Internet or telephone banking.

26. The Financial Process Manager is responsible for ensuring the safe keeping of all usernames and passwords used for Internet and telephone banking. A sealed copy will be kept in the union’s safe at all times.
Chapter Four: Budgetary Information

Annual Budget Process - General Information

1. CUSU must produce an annual budget prior to the start of the new financial year that must be proposed at a Board of Trustees meeting; approved by The Board of Trustees; and ratified by Union Council.

2. The budget should estimate all future income and costs for the forthcoming year.

3. The effect on the Balance Sheet and Cash Flow should also be considered when approving all income and expenditure items for the forthcoming year.

4. The annual budget process is coordinated by the President and General Manager who are responsible for presenting a complete and financially viable budget for The Board of Trustees approval.

5. It is the responsibility of individual budget holders/managers to produce an annual budget for their specific departments.

6. **List of budget holders:** Departmental responsibility is assigned to:

<table>
<thead>
<tr>
<th>Dept., Team or Campaign:</th>
<th>Responsibility:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access</td>
<td>Access Officer</td>
</tr>
<tr>
<td>Admin</td>
<td>General Manager / Chief Accounts Clerk / Office Administrator</td>
</tr>
<tr>
<td>BME Campaign</td>
<td>BME Head</td>
</tr>
<tr>
<td>CUSU Council</td>
<td>Democratic Support Assistant</td>
</tr>
<tr>
<td>Disabled Students Campaign</td>
<td>Disabled Students' Officer</td>
</tr>
<tr>
<td>Education Team</td>
<td>Education Officer</td>
</tr>
<tr>
<td>Ethical Affairs</td>
<td>Ethical Affairs Chair</td>
</tr>
<tr>
<td>Freshers Fair costs</td>
<td>Membership Engagement Coordinator</td>
</tr>
<tr>
<td>Freshers Materials and Comms</td>
<td>Design &amp; Comms Coordinator</td>
</tr>
<tr>
<td>Fundraising, Services &amp; Business</td>
<td>Fundraising &amp; Services Manager</td>
</tr>
<tr>
<td>iCUSU</td>
<td>iCUSU Head</td>
</tr>
<tr>
<td>LGBT+ Campaign</td>
<td>LGBT+ Head</td>
</tr>
<tr>
<td>Membership Team</td>
<td>Policy &amp; Communications Manager</td>
</tr>
<tr>
<td>Reception</td>
<td>Office Administrator</td>
</tr>
<tr>
<td>Salary Costs (Admin)</td>
<td>Chief Accounts Clerk / General Manager / President</td>
</tr>
<tr>
<td>SUAS</td>
<td>Advice Service Manager</td>
</tr>
<tr>
<td>Union Development</td>
<td>President</td>
</tr>
<tr>
<td>Welfare</td>
<td>Welfare &amp; Rights Officer</td>
</tr>
<tr>
<td>Women's Campaign</td>
<td>Women's Officer</td>
</tr>
</tbody>
</table>
**Guidelines for Budget-Holders**

1. Budgets should be compiled using the principles of ‘Zero-Based Budgeting’. This means that all expenditures must be justified each new year, instead of only explaining the amounts requested in excess of the previous year’s budget.

2. Reference should also be made to actual results for the current year. The budget can be adjusted for new needs that have been identified as well as expenditure items in the current year that are no longer required.

3. The Financial Process Manager, as and when required and appropriate, will issue budget-holders with information regarding salaries, central management recharges and also, a depreciation schedule for fixed assets purchased in previous periods that are still depreciating.

4. Assumptions regarding cost inflation will also be notified to budget-holders by the Financial Process Manager ahead of the budget-setting process. These will be made with reference to the Retail Price Index (RPI) although some expenditure items may be treated individually such as those relating to utilities and insurance costs.

5. **Trading Sales & Costs** - When budgeting for trading sales and costs of sale for the next financial year, considerations should be made to the following factors:
   a) Last years actual performance
   b) Changes in services provided (e.g. opening hours, entertainments programme)
   c) Changes in the number of ‘trading days’ and academic calendar
   d) Capital expenditure requests
   e) Price adjustments and promotional opportunities
   f) Average spend per consumer-head (e.g. client or student)
   g) Changes in competition and general market shifts

6. **Non-trading Income** - Budget-holders should take a prudent approach to budgeting for all income. Income should only be included within the budget where it is deemed reasonable to do so and all speculative income streams should be excluded from first draft submissions. These can be inserted at a later date if their likelihood has improved.

7. **University funding** - Funding proposals for the annual University Planning Round will be developed through-out the year within the following schedule:

<table>
<thead>
<tr>
<th>Month of financial year</th>
<th>Actions</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>July [prior to November Planning Round]</td>
<td>Review long-term strategy related to University Funding. Identify funding-round goals.</td>
<td>Board of Trustees</td>
</tr>
<tr>
<td>August</td>
<td>One-page summary of bid for submission to CCSSU Secretary (by end of August) Business Case for funds</td>
<td>Fundraising &amp; Services Manager (FSM), General Manager (GM)</td>
</tr>
<tr>
<td>Month</td>
<td>Activity</td>
<td>Responsible Parties</td>
</tr>
<tr>
<td>---------------</td>
<td>--------------------------------------------------------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>September</td>
<td>Written proposal</td>
<td>FSM, GM, President</td>
</tr>
<tr>
<td></td>
<td>Meeting of CCSSU</td>
<td></td>
</tr>
<tr>
<td>October</td>
<td>Develop written proposal following feedback from CCSSU</td>
<td>FSM, GM and Sabbatical Team</td>
</tr>
<tr>
<td></td>
<td>Solicit institutional supporters for the proposal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Complete proposal</td>
<td></td>
</tr>
<tr>
<td>November</td>
<td>Submit bid to CCSSU (via Secretary)</td>
<td>President</td>
</tr>
<tr>
<td>February/March</td>
<td>Tacit approval for University funding normally received</td>
<td>President, GM</td>
</tr>
<tr>
<td>April</td>
<td>Inclusion and/or adjustment of following year’s budget on account of University funds expected</td>
<td>GM, Financial Process Manager</td>
</tr>
<tr>
<td>August</td>
<td>Monies transferred from University to Union. Funds allocated to respective budget codes. Previous years funds to be communicated to auditors so funds can be correctly accounted for and shown within annual accounts.</td>
<td>Financial Process Manager</td>
</tr>
</tbody>
</table>

8. For first draft submissions, budget-holders are expected to provide the following information:

   a) **Phased Budget** - A complete budget that has been broken down into monthly periods where income and expenditure items are allocated to the period in which they relate to. Information regarding trading sales and student staff expenditure should be broken down per week.

   b) **Summary Comparison to Current Year** - A spreadsheet comparing this year’s expected year-end figures compared to the new budget.

   c) **A written Commentary** to accompany the Budget Submission - A document that includes a comprehensive listing of all assumptions included within the budget submission as well as a detailed breakdown of individual expenditure amounts making up each budget heading.

9. Financial information included within the budget should be easily accessible to students, staff and officers requesting the information.

**Fixed Asset (Capex) Requests**

10. The annual budget process is also an important time for submitting requests to either purchase fixed assets or to provide business plans for new ventures.

11. Submissions for regular capital expenditure items that are undertaken annually such as the rolling replacement programme for IT equipment will be included within the first draft automatically. This may also include general building work undertaken to satisfy health and safety requirements.
12. All other requests will be provided as ‘stand-alone’ documents with reference to the potential impact on the budget should they be approved and undertaken.

13. ALL requests are reviewed on a ‘case by case’ basis and approved or rejected individually by The Board of Trustees.

14. Where a number of requests are submitted, these may need to be prioritised with reference to how much CUSU can afford to invest. The Board of Trustees will undertake this prioritisation in the pre-budget meeting arranged with The Board of Trustees.

15. Where a budget-holder submits a number of different mutually exclusive reports, the impact on the budget must be assessed and clearly communicated to The Board of Trustees for every option available.

Further information regarding fixed asset purchase requests is available in the fixed asset section of this document.

**Guidelines if The Board of Trustees and/or Union Council reject a budget**

16. The FPM will make every effort possible to clearly communicate budget proposals prior to the final draft budget presentation at The Board of Trustees. Formally, this will be through the ‘Pre-Budget Resources Meeting’ scheduled for early April of each year; this meeting will be coordinated by the FPM and include members of the Executive and staff budget-holders.

17. Where budget-holders fail to submit proposed budgets before the end of March (deadline for submissions), budgets will be formulated on their behalf in consideration of historic spend from these budget lines; overarching aims of the budget process (as defined by the BoT in their March meeting); and in consideration of previous budgets approved.

18. This process may also be communicated informally through other meetings scheduled between budget-holders, the Executive and staff prior to this. Examples of this may include 1-2-1 meetings held between students, staff and Executive Committee members or agenda items in Executive Committee meetings. Meetings regarding specific proposals may also be arranged for review and discussion.

19. It is important for all budget-holders to consult with the relevant Executive officers when developing their first draft team/campaign/departmental budgets to ensure a budget is not rejected towards the end of the budget process.

20. It is important that budget-holders appreciate that their proposals may not be accepted as they are due to budget constraints that may arise during the process. Any proposals rejected or down-sized will be done so by assessing:

   a) The extent to which the proposals meet the aims of the budget process and advances current Union priorities;
   
   b) The amount of resource available for the Union to commit in any given year;
   
   c) The validity of the business-case included in the budget submission;
   
   d) The validity of the level of expenditure proposed for items or activities (e.g. whether the proposed cost is reasonable or likely; the extent to which the
proposed budget supports the Union’s charitable aims and can be justified in charity law); and,

e) Changes or expected shifts in income the Union foresees that may influence available expenditure for the coming year/s.

However, in circumstances where this arises, The Board of Trustees and/or Union Council must provide guidance to resolve the situation. This may include:

f) Identification of specific areas of concern;
g) Potential courses of action to be considered; and,
h) Details of interim measures to be adopted. (For example, if Union Council reject the annual budget presented in Easter Term, CUSU will still need to operate and incur expenditure during the summer vacation that has not been formally approved in the budget).

A budget may be approved ‘with exception’ by The Board of Trustees and/or Union Council. This is where the budget is passed overall but a specific element of the budget is rejected.

**Budget Re-Forecasts and Amendments during the Year**

21. The budget will be reviewed at the end of Michaelmas term by the BoT and adjustments will be made based on the latest information available. These adjustments will be made with direct relation to the following:

a) Variances identified in the monthly management accounts process
b) Trading results for the previous periods
c) Additional income and/or expenditure items identified subsequent to the approval of the original budget. These will require prior approval by The Board of Trustees before being undertaken
d) Fixed Asset purchases and other projects approved by The Board of Trustees during the year

22. The FPM will coordinate the budget re-forecasts at the end of Michaelmas term. This may involve simple adjustments based on information previously provided by budget-holders. However, the FPM may also arrange specific meetings with budget-holders to discuss specific areas.

23. Where The Board of Trustees has made a decision in a meeting, every effort will be made to adjust the budget within the next set of accounts presented to the meeting. This will include fixed asset purchases and changes to staffing costs.

24. Any revisions to the budget in-year at the end of Michaelmas will be presented to CUSU Council for approval in the first meeting of Lent Term.
Requests for expenditure through the budget year not budgeted

25. From time-to-time there may be in-year expenditure requests that were not provided-for in the original budget. Such will require an amendment to the current budget and/or a commitment to spend from reserves.

26. These requests should be approved by the BoT first and then presented at the forthcoming Council.

27. The BoT may be authorised, by a resolution of the BoT, to commit funds immediately, without first obtaining approval from the Council, only where any delay would present tangible financial or regulatory risk (e.g. non-compliance). An example of this scenario

28. In any instance BoT requests for in-year commitment outside of ordinary budgetary approval via the annual budget-setting process, a notice will be placed within or alongside trustee minutes on the CUSU website.
Chapter Five: Financial Reporting and Storage of Financial Information

Monthly Management Accounts

1. Performance against the approved budget will be monitored on a monthly basis through the production of management accounts.

2. The management accounts will include the following information;
   a) Comparison of actual against budget for the current month period
   b) Comparison of actual against budget for the ‘year-to-date’ period
   c) Comparison of annual budget against the latest forecast adjustment.
   d) Where appropriate, a year-to-date comparison to the previous year should also be made.

3. Comparing actual figures against the budget for both the ‘current month’ and ‘year-to-date’ for all income and expenditure items identifies variances.

4. All budget-holders are required to complete a ‘Variance Report’ for the end of each academic term, which clearly states the material variances that have arisen (by end of December; by end of March; and by end of June). This report details the reason why the variance has arisen and also identifies any corrective action that needs to be undertaken. Every budget-holder is expected to meet with the Financial Process Manager on a termly basis to discuss the Variance Report.

5. CUSU define any variance as ‘material’ if it falls within the following parameters +/- £100 or 10%, whichever is the greatest

6. The Financial Process Manager consolidates the completed variance reports into one overall report. The consolidated report is then presented to the next The Board of Trustees for review and discussion.

7. Management Accounts are also available to The Board of Trustees members on a monthly basis and can be accessed online through the CUSU website prior to the meeting.

Negative variances to budget

8. A negative variance will refer to an over-spend in a particular budget.

9. All negative variances should be reported to the BoT by the budget-holder. The report should offer an explanation for the overspend and include: 1) measures to prevent underspend in the future and/or a business case for increased resource commitment in the future; and 2) a risk analysis explaining why the underspend was necessary and the potential impacts of not overspending (incorporating any benefits/disbenefits to the membership).
**Fortnightly Fundraising/Sales Figures**

10. The production of fortnightly sales figures is the responsibility of the Fundraising and Services Manager. These must show a comparison to both budget and the previous year’s sales.

11. The ‘Fortnightly Sales Comparisons’ must be communicated to the General Manager and Financial Process Manager via e-mail on a fortnightly basis.

12. This information will also be communicated to The Board of Trustees via the monthly report produced for the committee. This is to ensure committee members have the latest information regarding performance. Significant variances can then be reviewed and discussed by The Board of Trustees.

13. Fundraising and Sales figures will be considered confidential as they represent commercially sensitive information. Monthly management accounts should provide sufficient information to members to view their Union’s financial performance, inclusive of the Union’s fundraising areas, without specifying so much detail as to undermine the Union’s ability to generate income in the future.
The Monthly Management Accounts Process

Month-End = Last Day of the Month

FSM to reconcile the Cashbook, Purchase Ledger & Sales Ledger and process monthly journals.
First draft Monthly Management Accounts are produced for review by budget-holders.

Fortnightly Sales Reports produced by Fundraising & Services Manager.
These are communicated to the GM & FPM

Budget-holders with a combined annual budget over £3k to review their Monthly Management Accounts and produce a Variance Report detailing material variances for the period (end of each term).

Budget-holders meet with the Financial Process Manager to discuss their accounts & variance report.
Corrections are made to the accounts where appropriate and a final draft agreed (Accounts & Variance Report)

The Financial Process Manager produces a consolidated Variance Report for presentation to The Board of Trustees.
A final draft of the management accounts is put online for access by The Board of Trustees & budget-holders.

The Board of Trustees may request additional information to that originally provided.
The FPM will contact budget-holders directly where this has been requested.

Board of Trustees Meeting - Final draft Variance Report presented by GM.
**Year-End Annual Accounts**

14. CUSU auditors will prepare a set of audited year-end accounts based on the final set of management accounts produced for the whole year.

15. These will be presented to The Board of Trustees at the first The Board of Trustees meeting after the audit has been completed. This meeting usually takes place in November following the year-end audit. Within this meeting the Board will approve the Trustees Annual Report, which will be drafted by the General Manager for their approval.

16. Year-end accounts then need to be approved no later than the March Board meeting with the auditors Management Letter and any communications submitted/required by the Union’s auditors. The process will be managed by the FPM.

**Fulfilling Reporting Obligations to the University**

17. CUSU are required to provide University representatives with year-end accounts. It is the responsibility of the Financial Process Manager to ensure year-end accounts are forwarded to the designated University representative in a timely manner.

**Storage of Financial Information**

18. CUSU are obliged by law to store all financial ‘source’ information for a period of 7 years. The Financial Process Manager is responsible for ensuring that all relevant documentation is stored appropriately.

19. Upon disposal after 7 years, this information is still deemed to be confidential and the Financial Process Manager should also ensure it is disposed of in an appropriate manner.
Chapter Six: Income

Invoicing
1. Invoicing is used when goods or services are purchased from CUSU on a non-cash (credit) basis.
2. Only the Financial Process Manager can raise a sales invoice on behalf of CUSU (subject to absence, in which case a signatory or a BoT resolution shall delegate responsibility).
3. Sales invoicing is most appropriate for:
   a) Advertising and sponsorship sales to external clients.
   b) Shop sales to external clients who hold a ‘credit account’ with CUSU.
   c) Affiliation fees
   d) When recharging a cost already incurred to an external client (e.g. a University department).
   e) Project, franchise or other contracted income.

The Process – Raising an Invoice
4. Budget-holders are required to fill out a ‘Invoice Request Form’ or other official form of Booking Form. These can be obtained directly from the Financial Process Manager and via an online form.
5. When requesting a CUSU invoice, the following information is required:
   a) Account number (& name) where the sale is being credited.
   b) Customer Details (name, address, contact, tel no, e-mail)
   c) A customer purchase order number or details of how the sale has been agreed (E.G. Contract, Booking Form), when/if supplied.
   d) A description of the goods or services being provided.
   e) An accurate price.
   f) Knowledge of VAT implications - the Financial Process Manager will ensure VAT is treated and accounted for correctly when raising the Invoice and may request additional information in order to achieve this.
6. A copy of relevant documents must be attached to the Invoice Request Form. Such must take the form of a written/printed agreement and record of the planned transaction (e.g. official purchase order).
7. In special circumstances, the Financial Process Manager will also raise Invoices based on e-mails received from the customer detailing a ‘request to be invoiced’. This should only be used when none of the documents stated in point (6) are available or suitable.
8. Budget-holders must forward all Invoice Request documents to the Financial Process Manager within 10 working days of the activity-taking place.
9. Where payment is required for the invoice prior to the activity, this must be clearly communicated to the Financial Process Manager. The budget-holder is also responsible for ensuring the customer is aware of this condition. Where possible,
this form of ‘payment in advance’ is recommended for all income for Fresher stall events and any contracts entered into with club promoters.

10. The Financial Process Manager must ensure all Invoice Request Forms are processed as early as possible/reasonable of receiving them in the office and that invoices are dispatched to customers immediately thereafter; at latest, invoices are to be raised within 30 days of the supplied goods. Longer turnaround periods will be acceptable during periods of absence, such as annual leave; however any foreseen delay will be appropriately communicated (e.g. within an out-of-office message, online notices and in calendars).

11. Potential customers maybe subject to an internal and/or external credit check before sales are made to them or advertisements accepted.

12. For internal checks, the Financial Process Manager will keep a list of all known bad debtors. This is available upon request.

13. For some new customers, budget-holders may wish to undertake an external credit check with a recognised credit agency. Please consult with the Financial Process Manager when considering using this facility.

The Process - Payments Receivable

14. Where possible, customers are encouraged to make payments to CUSU via BACS transfer. The Financial Process Manager will send a letter to all new customers detailing bank account information to credit and contact details to forward remittance advice forms to.

15. Where payments are received by cheque, all cheques must be forwarded directly to the Financial Process Manager for banking and reconciliation. Under no circumstances, should budget-holders bank the cheque in their normal daily banking or through the Till System.

16. The Financial Process Manager will bank all debtor payments received on a weekly basis. Individual cheques for £5k or more will be banked within 3 working days of being received by/at CUSU.

The Process - Credit Control

17. All outgoing invoices should state the date by which they should be paid. Normally this should be 30 actual days.

18. It is the responsibility of the Financial Process Manager to follow up unpaid invoices on an ongoing basis. Statements are issued to debtors at each month end. After 30 days, the Financial Process Manager will telephone the debtor if payment has not been received.

19. The Financial Process Manager must contact the debtor regularly using telephone or e-mail until the payment is received.

20. If payment has still not been received after 45 days, a standard letter is sent to the debtor requesting urgent payment within 7 days before legal action is considered.

21. Before legal action is undertaken, the Financial Process Manager will consult with the General Manager and budget-holder concerned to agree the next steps to be taken.
Any decision taken will be on an individual basis, and will consider the amount of money in question, the reason why payment has not been received and the effect on customer relationships.

The President will also be consulted when the invoice value is over £5,000 including VAT; the President shall be consulted regarding any delay in payment to CUSU regarding an affiliation fee from an affiliate member.

22. If legal recovery action is agreed upon, the Financial Process Manager will deal with all communications with the credit agency. However, the General Manager and President must authorise any decision to take legal recovery to the next level in the process, as this will involve an additional charge.

23. Where a partial discount or complete cancellation of an invoice is agreed, the budget-holder must complete a ‘Credit Note Request Form’ (or other appropriate official form) and forward this to the Financial Process Manager for processing. This will be an online form available via the website.

Please note an account is credited as soon as the Invoice is raised on SAGE. This does not mean we have physically received payment from the customer. If a partial or complete credit note is raised at a later date, the same account code will be debited for the credit note amount.

24. A provision will be made if the Financial Process Manager deems the transaction to be a potential bad debt to the organisation. This may arise if the full amount remains unpaid despite reasonable attempts to recover the debt.

Note: this does not mean the debt is being completely written off and the Financial Process Manager will still pursue the debt where appropriate. However, it is a prudent provision to assume the debt may not be paid.

25. Potential bad debts will be identified in a termly Ledger Review Meeting held between the Financial Process Manager and the General Manager. The Financial Process Manager is responsible for communicating with relevant management and officers to identify ‘a best way forward’ for specific cases.

**Income Contracts Issued on Behalf of CUSU**

26. CUSU are required to issue contracts for a number of services we provide. These are mainly for commercial license agreements and also for advertising and sponsorship opportunities.

27. As these contracts may be legally binding, it is essential that they are drawn up with due care.

28. Generally, the appropriate budget-holder is responsible for contracts raised within their area and this person must sign contracts issued. Specifically, the following persons should sign sales/income for the following areas:
<table>
<thead>
<tr>
<th>Type of Contract (incl. third-party project or grant fund):</th>
<th>Authorising individually:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any contract above £25k, in addition to License Agreements with publishers, franchises or other contracts non-media related</td>
<td>General Manager and President</td>
</tr>
<tr>
<td>Grants/Project funds, and Advertising &amp; Sponsorship Contracts (including in-kind contracts) up to a value of £25k</td>
<td>Fundraising and Services Manager</td>
</tr>
<tr>
<td>Sponsorship for Student Group, Team/Campaign Activity up to a value of £5k</td>
<td>Membership Team Manager and Sabbatical Trustee</td>
</tr>
<tr>
<td>Projects and Grant Agreements with University associations, bodies or a Collegiate body/institution</td>
<td>General Manager, Fundraising and Services Manager or Financial Process Manager</td>
</tr>
</tbody>
</table>

29. CUSU maintains liability insurance for its officers and trustees: this is effective on the basis that liabilities are undertaken only with proper consideration and that contracts are scrutinised by appropriate central officers, staff, and/or bodies and then given approval.

30. No officer, staff member, or other agent of the CUSU or any of its constituent parts (trading brands, teams, autonomous campaigns, joint projects, etc.) may undertake to enter the union (or any part thereof) into a contract for services, payments, endorsements, assumption of debt, legal responsibilities, etc. without authorisation. If they do so, they may face personal liability for the agreement or for other damages.

31. Considerations impacting on a decision to proceed with a contractual obligation may include the following:
   a) Contract decisions that involve the imminent assumption of legal complications/jeopardy may need review by the Board of Trustees
   b) Commercial undertakings that may impact other revenue sources, existing partnerships, or potential growth areas may need scrutiny from the Fundraising & Services Manager.
   c) Advertising, sponsorship, or endorsement deals may need to be checked against CUSU Policy or commented-on by specific officers.
   d) Impacts on the Budget have been considered and properly noted.
   e) Final drafts of agreements or memoranda of understanding have been signed by the appropriate person at CUSU (as defined in this Policy)

32. Where required, CUSU will seek legal advice to draw up contracts. If you require any further information or guidance regarding a potential contract, please direct all communications to the Financial Process Manager in the first instance.
For guideline purposes, a contract should include the following information:

<table>
<thead>
<tr>
<th>Information required:</th>
<th>Example (if required):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name &amp; Address of Customer</td>
<td></td>
</tr>
<tr>
<td>Name of Contact Person</td>
<td></td>
</tr>
<tr>
<td>Telephone Number &amp; Email Address</td>
<td></td>
</tr>
<tr>
<td>Services being Provided</td>
<td>Freshers Fair Stall for one day</td>
</tr>
<tr>
<td>Details of Service Provision</td>
<td>2m square space + table</td>
</tr>
<tr>
<td>Conditions of Service</td>
<td>Stall must be cleared by 5pm</td>
</tr>
<tr>
<td>Date Service to be Provided</td>
<td>7th October 2017</td>
</tr>
<tr>
<td>Cost of Service (Vat Exclusive)</td>
<td>£500</td>
</tr>
<tr>
<td>VAT Implications</td>
<td>£100</td>
</tr>
<tr>
<td>Payment Conditions</td>
<td>50% Deposit or Full payment beforehand</td>
</tr>
<tr>
<td>Any other Conditions</td>
<td>Cancellations must be notified 2wks in advance</td>
</tr>
<tr>
<td>Declaration</td>
<td>'I have read and understand the terms and conditions of the contract and agree to abide by them in full'</td>
</tr>
<tr>
<td>CUSU Signature &amp; Printed Name</td>
<td></td>
</tr>
<tr>
<td>Customer Signature &amp; Printed Name</td>
<td></td>
</tr>
<tr>
<td>Legal Status</td>
<td>CUSU is a separate legal entity to the University of Cambridge.</td>
</tr>
<tr>
<td></td>
<td>CUSU is a registered charity #288365</td>
</tr>
</tbody>
</table>

**Trading Sales and Banking Procedures**

Most income generated by CUSU is through primary purpose trading and fundraising through media contracts, sponsorship and services to CUSU’s membership. This income is in the form of cash, cheques, bank transfers and credit/debit card payments.

Primary-purpose trading refers to CUSU’s trading activity as a charity; trading that the Union engages in as a conduit to advancing its charitable aims. Examples of this activity may be the Freshers Fair, promoting offers and opportunities to students, and in selling welfare supplies to students.

The following details procedures for those working within a primary-purpose trading facility.
**Income received by cheque and credit/debit card**

**Cheques**

9. All cheques received must be made payable to either “Cambridge University Students’ Union” or “CUSU”.

*Additional information required:*

A valid cheque guarantee card must accompany all cheque payments received at the Service Desk. The number on this card must be written on the back of the cheque. The signature must also be checked against the signature on the cheque guarantee card in accordance with banking regulations.

10. All cheque payments received from student groups must have the name of the student group clearly written on the back of the cheque, as well as the payee student’s name, phone number and a valid CRS ID.

11. There is a minimum value of £30 for cheques received at the Service Desk. The maximum value is restricted by the amount stipulated on the cheque guarantee card.

12. Where a student/customer wants to write a cheque for a value in excess of the cheque guarantee card, the Service Desk must not let the customer write more than one cheque. Banking regulations stipulate that this is not acceptable and could still reject the cheques.

13. Cheques must not be ‘cashed’ for customers or student group members (i.e. no ‘cash back’ facility).

**Debit/Credit Card Payments**

14. Payments receivable using debit/credit cards must only be accepted in-line with set processes established by the Fundraising & Services Manager (or a more senior manager or trustee). CUSU reserves the right to introduce a card payment fee.

15. No ‘cash back’ facility is available.

**Note regarding Student Group Income**

16. ‘Student Group’ income refers to income from teams, campaigns and Liberation Campaigns, and any active student groups within CUSU, such as TCS.

17. All student group income (& expenditure) should be processed through internal current accounts as managed by the Financial Process Manager. This includes all:
   a) Membership fees charged by student groups to members
   b) All ticket sales and other monies collected for events organised by student teams or groups
   c) All ticket sales sold on a commission basis by student groups
   d) All monies collected for other sales such as clothing
   e) All monies received for sponsorship and donations to the student group
f) Any other money received by student groups.

18. Transactions that are not processed through the relevant internal current accounts are deemed to be fraudulent as these transactions are taking place without being recorded in the correct manner.

19. All transactions must be processed through the CUSU bank account. Groups are not allowed to set-up external bank accounts for the purpose of processing transactions on behalf of the student campaign or activity.

20. All income should be paid into the Service Desk or to the Financial Process Manager directly using a ‘paying-in slip’ that can be obtained from the Desk or the CUSU website.

21. The slip must be filled in with details of what the money relates to. This will assist the Financial Process Manager in determining the VAT status of the income and ensuring transactions are processed correctly.

22. The ‘paying-in slip’ should also detail the name and nominal account number to be processed, a detailed breakdown of how the credit is made up of coinage, notes and cheques. The person paying in the credit must print their name, sign and date the slip; the person must also provide contact details in case of query (phone and email).

23. CUSU officers or staff receiving income must also sign the slip to confirm receipt and write the unique reference number generated from the till system onto the slip.

24. A receipt is provided for the student, campaign or group.

Contracts, Grants and Service Level Agreements (SLA)

CUSU also undertake contracted or grant-funded activities and SLA’s to generate income to fund specific projects that it wishes to undertake, or to fund services to its members. Funding applications can cover both revenue projects and capital expenditure.

Projects that CUSU currently undertake that are either fully funded or part funded from external sources are:

- Widening Participation Projects and Access [to Higher Education] activities
- Sexual Health services and provision of sexual health supplies to members
- Students’ Unions’ Advice Service
- Freshers Fair
- Membership and democratic engagement in representation
- Provision of careers advice and opportunities to members
- Shared service activities and facilities with the Graduate Union (GU)

25. The Board of Trustees must approve all applications for large fundraising opportunities and potential SLA’s prior to being engaged. This is particularly important if the opportunity has staffing and/or fixed asset implications.
26. Current ongoing projects will be approved via ratification or introduction within the annual budget process.

27. New applications must be presented to The Board of Trustees as ‘stand-alone’ papers as and when they arise.

Note regarding Management Recharges

28. When an application is presented to The Board of Trustees, it must take into consideration the following:
   a) Central management recharges
   b) Provision to cover indirect costs that may be incurred as a result of entering into the project. These may include:
      i) Impact on CUSU’s communications and use of website/web server
      ii) Impact on HR & Administration
      iii) Impact on the Financial Process Manager, financial administration and audit
      iv) Impact on utilities, building facilities and use of office/s
      v) Reporting requirements
      vi) Impact on elected officer duties, time and capacity
      vii) Impact on CUSU’s IT infrastructure and data storage
      viii) Impact on CUSU’s compliance duties

Filing returns for specific projects

29. It is the joint responsibility of the Financial Process Manager and assigned budget-holder to ensure all financial returns required for identifiable projects are completed in a timely and accurate manner and fulfill the criteria set out in the contract terms and conditions.
Contract-development, Grant-application and SLA Process

Details of opportunity identified

Assessment of opportunity: Basic questions will be asked such as:

- Does it fit with CUSU strategy?
- Do we have a need?
- Can we deliver? And continue to deliver in future years?
- Do we require funding? Will we require additional funding?
- Are we sure we can reclaim the full cost of the work? And if not, is the Union satisfied it wishes to subsidise the commitment?
- Added value to CUSU?
- Resource implications
- Is it worth the time and effort?
- How does it assist sustainability?

If it is worth doing, a full draft application will be completed

Presented to The Board of Trustees for information and/or approval.

The final bid/application/contract is completed and sent/signed.

Information of funding or SLA opportunity may be identified from a variety of sources:

- Staff, officers and students
- University and other external stakeholders
- E-mails, newsletters, websites etc.

Most appropriate staff and Executive members are identified to investigate the funding/SLA opportunity based on experience, skills, needs & effect on CUSU if implemented.
Chapter Seven: Cash Floats, Safes and Insurance Procedures

Cash Floats

Permanent Operational Floats
A cash float is issued on a permanent basis to the Service Desk for day-to-day operational use.

<table>
<thead>
<tr>
<th>Department</th>
<th>Responsibility</th>
<th>Max £ Limit</th>
<th>Recommended float per till</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Desk</td>
<td>Office Administrator</td>
<td>£250</td>
<td>£100</td>
</tr>
</tbody>
</table>

Random float checks by Financial Process Manager
1. The Financial Process Manager will conduct random float checks. These checks will be conducted on a regular basis to ensure floats match the ‘book balance’ when the float was originally issued.
2. Financial Process Manager float checks may also be conducted if any banking discrepancy has been identified.
3. The Financial Process Manager will also request to see the ‘float check information’ to ensure these are being carried out regularly.

Floots issued on a short term basis
4. Staff, officers and student groups/campaigns can request a float to be issued on a short-term basis for specific events. Generally, these should be for small amounts of money (<£100) although additional floats can be granted for large-scale events.
5. Short term floats must be authorised by the Financial Process Manager
6. A ‘payment request form’ must be completed and include the following information:
   a) Staff member, officer or student/campaign group requesting the float.
   b) ‘Cash’ box must be ticked
   c) The fact that the request is for a float must be clearly indicated.
   d) Person responsible for the float
   e) Date float will be returned
   f) Authorised by budget-holder and/or student team/campaign/group committee members.

Please note a request for a float is not the same as an expenditure request using petty cash. When a float is issued, it is expected to be returned in full.
Safes – General Rules
7. Persons responsible for safes must ensure they are kept locked at all times whilst not in use. Keys should not be left in the safe door whilst not in use.
8. Access to safes must be restricted to other employees at the discretion of the manager responsible for the safe.
9. Safe keys must be removed from the premises at the end of each day or locked in another safe.
10. Requests for a new safe or replacement of an existing safe require authorisation by the General Manager and queries should be directed to the Financial Process Manager in the first instance.

Safes and Insurance Limits
The following list details the safes CUSU currently uses, their location and the allocated insurance limits for those safes.

<table>
<thead>
<tr>
<th>Type of Safe</th>
<th>Location</th>
<th>Insurance Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBC</td>
<td>TBC</td>
<td>TBC</td>
</tr>
</tbody>
</table>

11. Persons responsible for the safes are those highlighted in the ‘Permanent operational floats’ table in this section of the document.
12. Cash balances must not exceed the amounts restricted by the insurance limits.

Transportation of Cash
13. When transporting cash either to or from the bank or generally around the building, the following restrictions apply.
   - Up to £1,500: 1 or more able bodied people
   - £1,501+: 2 or more able bodied people
     - £10k+: security company
These restrictions must be adhered to at all times. Banking amounts may be broken down and transferred in 2 or more journeys.

14. Anybody who transports cash around the building is expected to take reasonable and sensible precautions when doing so. These include:
   - Carrying the cash in a sealed/locked ‘cash bag’
   - Concealing the ‘cash bag’ in another unmarked bag
   - Transporting cash at different times of the day and not using a regular set time
General Insurance Information and Process

15. As part of CUSU’s compliance duties, CUSU are expected to ensure appropriate insurance cover is maintained.

16. CUSU have insurance cover Endsleigh.

17. For the cover to be maintained CUSU must provide the insurers with;
   a) Annually updated fixed assets register
   b) Annually updated register of student teams, campaigns and groups
   c) Detailed information regarding CUSU’s media presence (inclusive of any media activity covered by CUSU, such as TCS), and data storage
   d) Details of any ‘unusual’ events or activities and the risk assessment that goes with the activity.

18. Insurance cover includes contents, professional and public indemnity and employers’ liability insurance. The certificates are kept with the Financial Process Manager; copies may be requested.

19. The Financial Process Manager shall be responsible for obtaining all necessary insurances, which shall include Trustee Indemnity Insurance.

What to do if you have an insurance query?

20. Email the Financial Process Manager with:
   a) Details of any relevant risk assessments
   b) Details of current practice
   c) Date of activity

What to do if you feel you need to make an insurance claim?

21. Email the Financial Process Manager with details of:
   a) What happened?
   b) When?
   c) How?
   d) What steps you have put in place to minimise the risk of this happening again in the future.

22. Where the insurance claim is a result of a crime that has been committed, a crime number must be obtained from the police. Please consult with the Financial Process Manager beforehand if you have any queries regarding this.

23. Your claim will then be forwarded to the insurer.

24. Due to the individual nature of insurance claims a response time frame cannot be given but the Financial Process Manager will keep you updated regularly on the status of any claim.
Chapter Eight: Expenditure

General Restrictions
1. The nominated budget holder shall only make expenditure against an approved budget.
2. All orders and/or payment requests are subject to the limits relevant to specific budget holders detailed below.
3. All purchases should adhere to purchasing rules.
4. Any personal or family interest, which may impinge or might reasonably be deemed by others to impinge upon impartiality in any matter relating to purchasing duties, must be declared to the Financial Process Manager & General Manager (and to the President and Education Officer in the case of these staff roles).

Expenditure Authorisation Limits
5. Nominated budget-holders are authorised to submit orders and/or payment requests up to the maximum authorised limits stated.
6. Orders and/or payment requests above this level should be co-authorised by a line-manager.
7. No budget-holder authorisation/s can be considered final approval of expense claims until fully-authorised in-line with authorising limits (e.g. in most cases where a trustee has approved the request).
8. Orders and/or payment requests exceeding the secondary budget-holders authorised limit should be directed to the General Manager, President and The Board of Trustees where appropriate.
9. All purchase authorisations must not exceed the annual budget levels approved by The Board of Trustees without the express authorisation of The Board of Trustees.
10. The Financial Process Manager circulates approved budgets at the start of each financial year.
11. In cases where The Board of Trustees authorises specific expenditure that was excluded from the original budget, notification to proceed will be communicated via e-mail from the General Manager or President.
12. The Financial Process Manager shall maintain an electronic copy of signatures of all nominated and secondary budget-holders so that any documentation received can be checked.
13. This specimen list of signatures is vital to ensuring accountability within the expenditure process. Signatures act as a personal commitment that the order and/or expenditure have been made for the proper furtherance of both team/campaign and CUSU’s objectives.
14. In relation to the supply of goods or services only, authorisation limits for budget holders are calculated as the annual expense budget for each budget line plus 25% or up to £200, whichever is lesser, save for the exclusions detailed in 15 of this chapter; authorisation limits are calculated per budget line per instance of authorisation (i.e. a budget holder’s limit for an instance of expenditure is the sum of a particular budget line multiplied by 1.25; the limit is not the sum of all budget lines allocated to a particular budget-holder plus 25%). The added 25% permits
flexibility and any abuse of these limits above approved budgeted amounts is safeguarded by the expenditure approval process (as defined herein); and the restriction per budget line.

a) authorisation shall be at the discretion of either the Financial Process Manager, General Manager, President or Fundraising & Services Manager and they must be informed in advance; and

b) trustee approval shall still apply.

15. Exclusions to the authorisation limits and the authorisation limits for budget holders of these excluded items are as follows:

a) Legal, insurance and governance expenses, which are limited to the budget-line plus 30% of the budget line.

b) Expenditure related to agreed grant, project or contracted activities with external agents or third parties, which are limited to the budget-line plus 30% of the budget-line; additionally, any expenditure greater than the budget allocated plus 5% must be approved in advance with the third party.

c) fixed asset purchases; refer to fixed asset section of this document for authorisation of fixed assets.

16. Where expenditure required for a CUSU activity is above the authorisation-level of the budget-holder, authorisation must be sought from the Board of Trustees.

17. At least three quotations should be obtained for all items costing £200 or more. Expenditure for some services or capital expenditure items may require the use of a tendering process (see later in this section for information).

Different Processes for Expenditure

There are nine different ways of processing expenditure. They are:

**Used for External Suppliers (1-6) & Staff Expenses (3, 4 & 6)**

i) Raising a purchase order through the Online Purchasing System

ii) Direct debit for contracts & regular periodic payments

iii) Payment Request – Cheque

iv) Payment request – BACS Transfer

v) Payment Request – Credit Card

vi) Payment Request – Petty Cash

**Via Internal Departments**

vii) Internal transfers

viii) Central Journal Recharges.

ix) Payroll – [Link to Chapter Ten: Payroll](#)

Different processes are best suited to different transaction types and it may be necessary for a budget-holder to use all of the different methods in managing the expenditure of their team, campaign, service or area.
The suitability of processes to transactions is highlighted in the individual sections.

**Raising a Purchase Order through the Online Purchasing System (OPS)**

18. This system should be used by all nominated budget-holders that have been assigned online access. The current OPS system is provided by KissFlow.

19. Guest users may submit requests, but cannot login to the system to approve requests.

20. An official CUSU purchase order constitutes a legal contract entered into by CUSU.

21. An official CUSU purchase order must be completed for all goods and services purchased from an external supplier. This includes University departments.

22. Goods or services ordered by the Internet or telephone still require a purchase order.

**The Process - Raising the Order**

23. Access to budget codes is made available on the CUSU website; the Financial Process Manager may amend the code if necessary for proper financial recording (or in the case of incorrect coding).

24. Budget-holders are asked to approve requests, including those raised by themselves, prior to requests being forwarded to trustee or manager approvers; this is due to the open-access system in place.

25. Budget-holders access OPS via the CUSU website on a dedicated page or via the online system directly (Kissflow).

26. Budget-holders log into the secure area using their network usernames and passwords. It is the responsibility of individual budget-holders to ensure their passwords are kept secret and changed regularly.

27. It is the responsibility of the General Manager to ensure overall security of the site.

28. When creating a new order, the following information is required:
   a) Account number (& name) where the purchase is being charged.
   b) Suppliers Details (name, address, contact, tel no, e-mail)
   c) A delivery address (if appropriate)
   d) A description of the goods or services being purchased.
   e) An accurate price including a breakdown of VAT.

29. Each order processed is automatically dated, allocated a unique order number and electronically signed by the budget-holder.

30. Once the information inputted has been checked, the order can be ‘submitted on the system.’

31. It is the responsibility of budget holders to ensure orders comply with the authorisation limits set out above and that the expenditure is made in accordance with an approved budget.
32. A copy of the purchase order should be printed off or downloaded and forwarded to the supplier by the budget-holder (or delegate; responsibility is not delegated).

33. Where the order needs to be co-authorised by either the secondary budget-holder or above, it is the responsibility of the nominated budget-holder to seek approval prior to the order being raised. Under these circumstances, the budget-holder is also responsible for obtaining the co-authorising signature on a hard copy of the purchase order and then passing this to the Financial Process Manager.

**The Process – Delivery & completing the Order**

34. Budget-holders are responsible for ensuring delivery of all goods and services that have been ordered. Delivery notes should be checked against goods received promptly. Where possible, the checking process should be undertaken whilst the deliverer is still on the premises.

**Successful deliveries**

35. If the delivery matches the delivery note and purchase order, the delivery note should be signed, dated and marked with the purchase order unique reference number. This should then be forwarded to the Financial Process Manager for processing.

36. The nominated budget-holder should also ‘complete’ the purchase order on OPS. This notifies the Financial Process Manager that the order has been successfully delivered and that the invoice is approved for payment.

**Part Deliveries**

37. For part deliveries, a copy of the purchase order should also be forwarded to the Financial Process Manager along with the signed delivery note. Items delivered should be clearly distinguished from items that have not been delivered on the purchase order. The budget-holder should not ‘complete’ the purchase order on OPS until the full order has been received and checked.

**Faulty Goods and Goods/Services not received**

38. It is the responsibility of the budget-holder to communicate directly with the supplier immediately once the problem is identified. An immediate response should help to resolve the problem quickly and satisfactorily.

39. If the goods or services cannot be replaced or delivered, the budget-holder must request a credit note from the supplier to cover the value of the items in question. The credit note should be forwarded directly to the Financial Process Manager.

40. The budget-holder must keep the Financial Process Manager updated with information at all times. This should include:

   a) Immediate notification of a problem with a delivery/supplier.

   b) Contact names, numbers and e-mail addresses.

   c) Details of discussions and if any, negotiations required.

   d) Estimated value of items in question.
e) Requests for assistance.

41. In difficult or complex situations, budget-holders are requested to keep detailed records of telephone calls, correspondence etc. to assist in resolving the issue satisfactorily.

Setting up a Credit Account

Where orders placed are with existing suppliers where our credit has already been established, purchase orders will be accepted on the basis that we already have a credit agreement with them.

42. When placing an order with an external supplier for the first time, they may request that CUSU apply for a credit account – this will involve filling out a form provided by the supplier with details of the company and referees to obtain credit checks through.

43. This form must not be filled in by an individual budget-holder. All credit agreement forms must be forwarded to the Financial Process Manager for completion. Actual CUSU bank account signatories are required to authorise the forms and also, this information is stored centrally by the Financial Process Manager.

44. Once a credit account has been opened, the supplier will accept purchase orders up to the maximum limit set within the credit agreement.

Financial Process Manager Rules

45. All documentation is to be forwarded directly to the Financial Process Manager within THREE working days of receipt and/or via the OPS

46. The Financial Process Manager will not process invoices or will return invoices for manual authorisation in the following circumstances:

   a) Where there is a significant difference between the invoice and the order value. Normally this will be when the difference is the lower of 5% or £50.

   b) Where documentation is incomplete (when the order has not been completed on OPS, the delivery note has not been received and a copy of the purchase order for part deliveries.)

   c) For invoices where raising an order was not applicable

   d) Where no order was completed and one was required. Budget-holders will be required to submit a written explanation detailing the reasons why an official order was not completed to the Financial Process Manager.

Direct Debits for Regular Periodic Payments

Some suppliers either request or stipulate that a direct debit payment facility is set-up. Direct debit payments are also useful for regular periodic payments for a contract that CUSU has entered into.

47. Direct Debit Request Forms must be forwarded directly to the Financial Process Manager for completion. Signatures required on these forms must match the actual
bank account signatories and the information is important for bank reconciliation purposes. Under no circumstance should a budget-holder complete and authorise the form.

48. The Financial Process Manager will decide whether it is appropriate for this facility to be used with the supplier. If so, the request form will be processed and actioned by the Financial Process Manager.

49. When using this facility, the invoices will be forwarded to the budget-holder for manual authorisation. It is the responsibility of the budget-holder to return the invoice in good time for any payment to be stopped if necessary.

50. It is the responsibility of the budget-holder to notify the Financial Process Manager of any change in such contracts promptly. This is to ensure that changes in normal payments are understood and to prevent overpayments being made.

Payment Requests for External Suppliers

External suppliers of goods and services may at times be paid using the ‘Payment Request’ process. This is a much quicker process of payment compared to OPS. CUSU departments should only use this when credit cannot be obtained, payment in advance is required or an urgent payment needs to be processed.

This facility is mainly for the use of student campaigns.

The Process

51. The budget-holder must complete a ‘Payment request – Business’ form. This form will require the following information:
   a) Accounts code and name to be debited
   b) Name that the payment is payable to.
   c) Date of Request
   d) Brief details of purchase.
   e) Purchase price including details of VAT breakdown.
   f) Authorising signature(s) of budget-holders

52. The budget-holder must also attach all relevant backing documentation to the request form. This can be one or more of the following:
   a) Copy of purchase order and invoice received from the supplier.
   b) Copy of purchase order and pro-forma invoice received from the supplier.
   c) Booking form for training courses, conferences or other organised events.
   d) Automated invoice printed from the Internet or received by e-mail after making an Internet booking.
   e) Completed and signed entertainment contracts such as those used by NUS.
   f) Invoices payable by students/student campaigns/groups.
53. All backing paperwork must be from an official source and clearly display details such as company name & address, details of goods/services purchased, purchase price, name payable to, payment options, VAT registration number and VAT breakdown where appropriate.

54. The billing address must be directly to CUSU for the Financial Process Manager to be able to process the payment. Invoices to personal addresses are not acceptable and will not be processed (unless forming part of a personal expense claim).

55. It is the responsibility of budget holders to ensure the payment request complies with the authorisation limits set out above and that the expenditure is made in accordance with an approved budget.

56. Payment Requests to external suppliers can be processed using the following methods of payment and must be indicated on requests:
   - Cheque
   - BACS Transfer
   - Credit Card
   - Petty Cash

**Payment by Cheque**

57. Cheque payment requests submitted take three working days to process.

58. The budget-holder can request that the cheque is forwarded by post directly from the Financial Process Manager or collected from the Service Desk.

   Where no option is chosen, the cheque will be automatically forwarded to the Service Desk for collection.

59. Where an order form has been raised but the company requires a cheque to be sent with the order, the budget holder must obtain a ‘pro-forma’ invoice from the supplier. Once the goods have been paid for and received, the supplier should issue a VAT invoice for the transaction. This should be forwarded directly to the Financial Process Manager to enable CUSU to reclaim the VAT.

**Payment Request by BACS Transfer**

60. Where bank details for the suppliers are available, it also possible to pay via automated bank transfer.

   The bank details must be supplied on official company stationery for this option to be used. The details should either be printed on the invoice or appear on company headed notepaper and authorised by a representative of the company.

61. Standard transfers take three working days to process.

62. Urgent payment requests can also be paid on the same day if the authorised transfer request is received by the Financial Process Manager by 12noon on the day of transfer (subject to availability). This facility is only to be used in exceptional circumstances and incurs additional cost to CUSU; the additional cost will be charged to the account code/budget-line form which the request is being paid.
63. All bank transfers must be authorised in accordance with the bank mandate for payments. This mandate stipulates a minimum of two bank account signatories for authorisation of all transfers. The Financial Process Manager is responsible for obtaining bank account signatories prior to transfer.

64. Payments to be made in foreign currency are easier to process by BACS transfer and this option is recommended for these types of payments.

Payment Request by Credit Card

65. In order for a non-signatory to use the CUSU credit card, the physical credit card must be signed out of the Financial Process Manager by an authorised budget-holder however must not leave the office.

66. When a student requires a payment to be processed by credit card, this should be in accordance with the authorisation limits stated above. An Executive Officer or staff member must sign the credit card out from the Financial Process Manager.

67. The budget-holder must provide the following information:
   a) Date of use and date of return
   b) Name of company being paid
   c) Reason for expenditure

   The OPM will provide a facility to collect this information.

68. Under no circumstances should a staff member record the credit card details and use the card without signing it out from the Financial Process Manager.

69. When payment is processed by credit card, there will be a delay of up to one month before the expenditure appears on the nominal expenditure account. This is because credit card statements are only issued on a monthly basis.

Payment by petty cash

70. In exceptional circumstances, petty cash payments may be made to external suppliers. However, this form of payment is strongly discouraged.

71. The Financial Process Manager must authorise all petty cash payments to external suppliers as well as the appropriate budget-holder.

72. The appropriate paperwork must also be provided as detailed in point (2) of this section of the document. (Link to documentation required)

73. Petty cash must be physically handed to the supplier in the Financial Process Manager where possible.

74. Appropriate notification must be provided to the Financial Process Manager to ensure the cash is available.

Petty cash advances (IOU’s)

75. For operational purposes, the Financial Process Manager may issue advances of petty cash (IOU’s) to purchase from external suppliers who will only accept cash. Such examples would be small sundry purchases from a ‘Cash & Carry’ or payment to a contracted performer for an event.
76. Petty cash advances must be authorised by the appropriate budget holder and the Financial Process Manager. The person to whom the advance is being made to must also sign as acceptance that the cash has been issued.

77. The person to whom the cash is issued to must provide a VAT receipt upon their return and make good any difference between the receipt value and original amount issued. The ‘change’ and documentation must be returned to the Financial Process Manager immediately after purchase.

78. A £500 restriction applies to this transaction type and will only be issued under exceptional circumstances at the discretion of the Financial Process Manager. Requires trustee approval in advance.

Payments for Personal Expenses

General Restrictions

79. Payments for personal expenses can be made by either cheque, BACS transfer or petty cash.

80. All personal expenses claims require a ‘Payment Request – Personal Expenses Form’ to be completed. This form must be authorised in accordance with the authorisation limits stated earlier in this chapter.

81. In addition, the form also requires the signature of the claimant prior to submission.

82. The form must include the following information:
   a) Account name and number where the payment is to be charged
   b) Printed name and signature of claimant
   c) Date of claim
   d) Date of expenditure
   e) Reason for expenditure
   f) Bank account information if processed by bank transfer

83. All personal expense requests need to be supported by the appropriate receipts/invoices as proof of purchase. Reimbursements will be declined if proofs of purchase are not provided.

84. Where applicable, receipts and other supporting documentation should provide VAT details to allow for VAT recovery.

Authorising signatories

85. All personal expense claims must be authorised in accordance with the authorising limits and normal purchase-request approval process for budget lines; i.e. personal expense claims must be requested from a budget code and therefore the budget-holder must first approve the expenditure being sent for approval by a trustee.

86. Staff, students and officers must not authorise their own personal expense claims.
Specific instructions for personal expenses paid in petty cash

87. Personal expenses paid in petty cash are restricted to a maximum value of £100.
88. All personal expense claims lower than £10 should be processed as petty cash where possible.
89. All documentation must be completed and authorised prior to reimbursement.

Types of expenses

Transport

90. Wherever possible, staff, officers and students should use public transport based on standard travel and utilise the cheapest tickets available (E.g. Savers, Off peak). Pre-purchased tickets for collection, requested via the Kissflow platform and processed by CUSU Reception, should be arranged in normal circumstances so that personal expenses are not required.

91. Reimbursements for public transport will be on the basis of economy class or standard fare only.

92. Taxi/cab travel should only be used in cases of urgency or where public transport is not reasonably available.

93. A standard motor mileage rate applies for travel by private car irrespective of the size of the car. The mileage rate reduces after the first 100 miles travel in one journey where a journey includes both the outgoing and return trip.

The standard rate applicable is:

- First 100 miles = 35p per mile
- Thereafter = 20p per mile

For long journeys, if an individual mileage claim is more expensive than standard rail fares for the same trip, then an amount equal to the standard rail fare should be claimed.

94. Where more than one person is traveling, the persons should make every effort to travel together to reduce costs.

95. Reimbursement is only applicable from and to the normal place of work or study (if a Cambridge student).

96. Car parking tickets are reclaimable when necessary. Under no circumstances will car parking or other motor-related fines be reimbursed by CUSU.

97. When using a car for travel on CUSU business, it is in the owner’s interest to ensure that they are adequately insured, which means that the insurance policy must allow “business use”. Failure to do so may not only render the person concerned liable for damages but also to criminal prosecution.

Accommodation

98. Where an overnight stay at a hotel is required, reimbursement should be on the basis of the actual cost.

99. Potential hotel accommodation costs should be agreed with your line-manager and the budget-holder prior to booking a room.
100. Where overnight stays are required outside of Cambridge, persons are encouraged to stop with family or friends where possible. A flat rate of £30 per evening can be claimed under these circumstances in order to provide hospitality to the host(s) as a thank you. Person(s) are not entitled to claim the ‘Incidental Overnight Allowance’ or the costs of an evening meal under these circumstances (as specified in the subsistence rates below). If an individual uses this option for accommodation, they do so at their own risk.

**Subsistence**

101. Subsistence requests defined here can only be claimed by employees or trustees of the students’ union. All requests are approved at the discretion of the line-manager and budget-holder.

102. Where no refreshments are provided as part of the cost of the event, receipts can be claimed up to a maximum value of:
- Breakfast - £5.00 (when leaving before 7.30am)
- Lunch - £5.00 (when away all day)
- Evening snack - £5.00 (when returning after 8.30pm)
- Evening meal - £9.00 (when not returning to Cambridge/continuing a stay away)
- Tea/drinks - £2.00 per day (if drinks are not provided)

103. When any of the above are included within the cost of the event, those specific meals cannot be claimed for.

104. **Incidental Overnight Allowance** – is provided to a maximum of £6 per evening when an overnight stay is required (e.g. in accommodation organised by CUSU). This is in addition to the subsistence rates specified above. This may be obtained prior to attending the event although receipts should always be obtained when possible.

**Tendering Procedures**

CUSU has a responsibility to operate diligently on behalf of members, and the Board of Trustees must ensure that diligent behavior towards procurement and risk is practiced in the accordance of their trustee responsibilities.

Where the Union seeks to commit significant resource (e.g. above £5k) or pay for services that, if delivered improperly, would cause significant harm to the Union, a tendering process should be instigated.

The process is designed for contracted services for risk-heavy activities. These activities may include:
- Choosing of website provider;
- Choosing of auditing firm to undertake CUSU’s annual audit;
- Choosing of administrative service-providers, such as HR support services or lawyers;
- Choosing of printers or publishers for Union publications; or,
• Choosing of firms to undertake refurbishment or building work for the Union.

105. A range and breadth of different suppliers should be distributed information inviting them to express interest in providing services/supplies to CUSU.

106. Suppliers should be given detail on the service or supply required, for what purpose and within the parameters to which CUSU intends to purchase or pay (e.g. budget tolerance). For design-related projects, a specification should be provided to potential suppliers.

107. Suppliers should be given instruction on how to express interest, the information CUSU requires from suppliers, and the deadline/a schedule of decision-making.

108. Successful and unsuccessful suppliers should be notified. A decision may be influenced wider criteria than ‘lowest price’, e.g. delivery date, running costs, cost effectiveness, quality, supplier reputation, aesthetic and functional characteristics, environmental considerations, technical merit, or after-sales service.

For large purchases, best value should be determined by reference to ‘Whole Life Costing’, meaning the following should be considered: pre-purchase costs, including research and evaluation; purchase costs, including installation and training; order processing costs; stockholding - covering finance, damage, deterioration, theft or obsolescence; running costs, including maintenance, power and training; health and safety requirements; and disposal costs and/or residual value.

109. Where an ongoing relationship with a supplier is in place, whose bid we previously accepted for a similar purchase, quotations do not need to be sought for every additional similar purchase, but should be sought at least once within each three-year period.

110. University and National Union of Students (NUS) preferred supplier lists are automatically accepted; suppliers from their lists do not require multiple quotations or an alternative preferred supplier status; use of these suppliers does not require the use of the tender process.

**Ethical and Environmental Considerations**

111. Staff/Officers of CUSU should always seek to uphold and enhance the standing of CUSU and must never use their authority or office for personal financial gain.

   a) Although a close and co-operative relationship with a supplier is often mutually beneficial, a degree of impartiality must be maintained. Any arrangement that might, in the long term, prevent fair competition should be avoided.

   b) Any personal interest that may be seen to impinge on an officer or employee’s impartiality should be logged in the ‘Register of Financial Interests’ and declared in any decision where it might come into play.

112. The confidentiality of information received in the course of duty must be respected.

113. Equally, information given in the course of duty should be true and fair and not designed to mislead.

114. Modest hospitality is an accepted part of business relationships. However, care should be taken to ensure that the acceptance of hospitality could not be deemed by others to have influenced a business decision.
115. A register of gifts received should be maintained by the Financial Process Manager and all gifts should be declared.

116. Business gifts, other than items of very small intrinsic value should not be accepted. If in doubt as to whether a gift or hospitality is acceptable, the offer should be declined or advice sought from the General Manager.

117. Employees and volunteers may not place orders for goods intended for their own personal use on official order forms.

118. Any suspicion of financial irregularity should be notified immediately to the President or General Manager.

119. Purchasing should take environmental objectives into account, such as are agreed from time-to-time by CUSU Council.

120. Environmental considerations may be included in the specification of a proposed purchase, or among the criteria against which a supplier is to be chosen. Such factors may include energy efficiency and waste reduction, which contribute to cost savings as well as environmental performance.

Goods should not be procured from any company excluded under CUSU’s (separate) Ethical Policy without seeking guidance from the Coordinator and Green Officer.
Chapter Nine: Stock Control

Stock Control Responsibilities

1. Stocks held within retail desks/outlets and the control of those stocks is the responsibility of the budget-holder, or their delegate.

1. Budget-holders are responsible for ensuring:
   a) All stocks are accounted for accurately
   b) All stocks are stored safely and securely
   c) Stock levels are kept at an appropriate level in relation to trading conditions and the time of year
   d) Stocks are rotated appropriately to minimise wastage of perishable items and potential obsolete items

Minimum stock levels (buffer stocks)

2. Budget-holders are responsible for calculating minimum buffer limits that stock levels should not fall below. This is to ensure that an outlet does not run out of a particular stock item and potentially lose sales as a result. These should be calculated with reference to the type of stock item and the sales levels for different stock items during different periods of the year.

Ordering stocks and maximum levels

3. Budget-holders are also responsible for calculating maximum limits that stock levels should not exceed. These should be calculated with reference to:
   a) Type of stock item
   b) Sales levels for different stock items during different periods of the year
   c) Shelf life and ‘best before’ dates for perishable items
   d) Chance of the item becoming obsolete
   e) Storage capacity

4. When ordering stocks, the budget-holder must also consider promotional opportunities available to maximise discounts available on bulk purchases; the budget-holder should speak to the Financial Process Manager before proceeding with bulk purchases beyond normal need.

5. It is expected that stock levels will decrease as vacation periods are approaching and that stock levels will increase shortly before the beginning of each term.

Wastage and stock ‘write offs’

6. Budget-holders are expected to operate a ‘zero-tolerance’ approach to wastage and stock write-offs.
7. These should occur very rarely as there should be appropriate systems in place to ensure stocks are rotated effectively and that deliveries of stock reflect current demand.

8. All stocks that do need to be written off should be recorded accurately and should detail the reason why the wastage occurred.

9. Budget-holders are required to investigate causes for stock write-offs and wastage.

10. Wastage records must be forwarded to the Financial Process Manager for storing and review.
Chapter Ten: Payroll

General Restrictions
1. For permanent staffing positions, The Board of Trustees must approve all recruitment requests prior to the recruitment process and appointment.

2. For part time, casual or temporary positions, payment thresholds are approved as part of the annual budget process and are contained within the Staffing Costs proposed to CUSU Council. Further temporary staff needs identified during the year require a report submitted to The Board of Trustees.

3. All employees should be recruited in accordance with CUSU’s Recruitment and Induction Policy.

4. All recruitment and payroll costs must be made against an approved budget.

5. All employees require the organisation to hold a signed contract of employment prior to their being paid. If no contract is signed by the second month of payment, the organisation reserves the right to suspend transactions until any contract issue is resolved.

   Note: no pay shall be indefinitely withheld from an employee or an individual whereupon services/work had been agreed. The organisation shall do its utmost to ensure no individual is unfairly treated or payments are unfairly withheld.

   Where an employee takes issue with a contract, the initial employment terms made on offer shall be agreed, however a probationary period will continue until a full contract is then agreed upon. If no probationary period was due to the employee, a period will automatically arise in the absence of a signed employment contract.

6. All employees must provide the following information prior to being registered on the CUSU payroll system:

   Starter Form
   • Full name
   • Home address
   • Term-time address (if applicable)
   • Contact details such as telephone number and e-mail address
   • Date of birth
   • National insurance number
   • Bank account details - branch name, sort code and account number
   • CRS ID/Raven ID (if applicable)
   • Role details
   • Declaration whether the job is classed, as the employee’s own or main job (P46 statement if no P45 is provided)
   • Date of commencement
   • Emergency contact details

7. All employees must also provide either:
a) Passport to be photocopied or
b) Full birth certificate and a National Insurance card to be photocopied
c) For international employees, the work visa must also be obtained and photocopied
d) P45 from previous employer or a completed P46 form as above

**HR & Administration Responsibilities**

8. The Financial Process Manager is responsible for ensuring:
   a) All payroll payments made to employees are processed in a timely and accurate manner.
   b) All necessary deductions for PAYE, National Insurance, Pension, Student Loans and any other deductions are calculated and deducted accurately.
   c) All payments due to HM Revenue and Customs are made in a timely and accurate manner via automated bank transfer.
   d) Payments due to CUSU’s allocated pension scheme (The People’s Pension) are made in a timely and accurate manner via automated bank transfer.
   e) Employee payment slips are distributed to employees in a timely and accurate manner; is done so confidentially and securely; and is done so in electronic format.
   f) All personal information held within manual files is kept securely and in good order.
   g) All statutory filing requirements, including HM Revenue and Customs real-time processes, are completed in a timely and accurate manner. These should be done through the ‘government gateway’ secure mailbox facility provided with the payroll software package where possible.
   h) All P60 forms are produced and distributed to employees at the end of each tax year.
   i) All amendments to salary and hourly rates for employees are updated and have the appropriate paperwork (or email records) to authorise the amendment.

**Monthly Payroll**

9. Monthly employees are paid for calendar months. Payments are made on the 15th of every month or the closest banking day.
10. Monthly payments are made for 2 weeks in arrears and 2 weeks in advance.
11. The Financial Process Manager (FPM) must authorise all payroll payment runs prior to the payments being sent via automated bank transfer. The General Manager will authorise the payment runs in the Financial Process Manager’s absence; the Financial Process Manager will ensure appropriate handover and support is in place to facilitate payroll payments in their absence.
12. The organisation shall imitate best practice two-step payroll processing by way of seeking sign-off before and after the payroll process.
13. The process shall be as follows:
j) The FPM shall prepare the payroll process in the relevant payroll administration software. This process shall create payslips.

k) The FPM shall print off the payslips and a full schedule of payments to be made and obtain authorisation.

l) The FPM shall enter amounts on the bank line, and process the transactions with the bank provider.

m) The FPM shall print-off the bank payment sheet, collate with the recipients and amounts and the payroll report from the administration software, and seek final sign-off.

n) The FPM shall securely store the pack of documents.
Chapter Eleven: Fixed Assets

Definition - Fixed assets
Fixed assets are purchases that are made for items which have a life expectancy of greater than one financial year, and from which an economic benefit will be derived throughout the estimated life of the asset.

Such purchases will be ‘capitalised’ and written off to the income and expenditure account over a period matching the estimated useful life of the asset. The charge in each year is called ‘depreciation’.

1. Fixed assets should be clearly distinguished from revenue expenditure. Revenue expenditure are costs that relate to only one accounting period (financial year) or purchases from which it is not expected that future benefits will arise.

2. CUSU have a ‘de minimis limit’ of £300 for asset purchases. Expenditure beneath this limit shall be written off to revenue in the year that the expenditure is incurred.

3. Where a major refurbishment is being undertaken, the total cost of the project is taken as a ‘whole’ and should be depreciated accordingly. The ‘de minimis limit’ does not apply under this scenario.

Improvements and repairs
4. It can be difficult to decide whether expenditure on improvements and repairs is either capital or revenue expenditure or whether the expenditure should be capitalised as part of the original asset or as a separate category of fixed asset.

5. The following considerations must be taken into account when determining the treatment of expenditure for improvements and repairs.
   a) Will the expenditure significantly prolong the estimated useful life of the asset beyond that conferred by normal repairs and maintenance?
   b) Will the expenditure increase the capital value of the asset?
   c) Will the expenditure provide a substantial improvement in the quality of output or a reduction in the previously assessed operated losses?
   d) Will the expenditure increase the market value of the asset?

For further information regarding this point, please contact the Financial Process Manager.

6. The Financial Process Manager is responsible for deciding whether an item of expenditure should be treated as capital expenditure or not, and how it should be depreciated if appropriate.

Fixed Asset Register
7. CUSU must keep a register of all fixed assets. The Financial Process Manager is responsible for the maintenance of the register.

8. The register will record:
a) Date of purchase  
b) Cost  
c) Depreciation rate applied  
d) Residual value  
e) Description of asset  
f) Serial number (if relevant) and/or Service contract details (if relevant)

9. The Financial Process Manager will keep copy invoices of all fixed assets added to the register.

Disposal of fixed assets
10. Disposals of fixed assets will occur for a number of reasons:
    a) Asset is no longer required and sold - requires General Manager’s authorisation  
b) Asset is no longer required and scrapped - requires General Manager’s authorisation  
c) Asset damaged beyond repair - see ‘Insurance section’ of document  
d) Other - (e.g. Theft) - see ‘Insurance section’ of document

11. A ‘Fixed Asset Disposal Form’ must be completed for all disposals; the form will be maintained by the Financial Process Manager. This must be authorised by the appropriate budget-holder and the General Manager where applicable.

12. All disposals need to be reported to the Financial Process Manager in advance so the register can be updated.

13. For sale disposals, a sales invoice must be raised so the sale is accounted for properly.

Depreciation
Depreciation is the annual charge that the income and expenditure suffers as a result of the ‘wearing out’ of all fixed assets.

14. Depreciation is calculated using the ‘straight line’ method (the cost of the asset is charged in equal instalments against the income and expenditure accounts over the anticipated useful life of the asset).

15. CUSU depreciation policy identifies broad categories of assets and the recommended useful life to be used in calculating depreciation charges. However, where expected useful lives are clearly identified as different, the new ‘useful’ life may be used to calculate depreciation.
Chapter Twelve: IT and Data Recording Procedures

Security & Backups
1. The finance system is maintained in the first instance by the Financial Process Manager; arrangements for backups will be in place.
2. CUSU's volunteer IT support team, the Student-Run Computing Facility, is responsible for backing up the contents of all servers daily. Backups are stored off site.
3. All files, workstations and servers are protected by up-to-date provisions installed by the IT Support Team, as well as receiving protection via the University's secure and maintained network.
4. Where for any reason this cannot be done, backups should be made at least twice per week, and copied to the filespace.

Password Policy
5. The IT support team will hold all 'Domain Administrator' passwords. All Local Administrator passwords are alphanumeric and should be changed on a regular basis.
6. Financial software, such as bookkeeping programs, must be password protected, with access being known and shared between the General Manager and Financial Process Manager; passwords will also be stored securely in the Union's safe.
7. Only the Financial Process Manager and the General Manager know the Manager password/s for the Sage accountancy software; this may also be shared with the Union's auditors.

Online Purchasing System
8. The online purchase order system is web-based and uses usernames and passwords as individuals' network logins.

Data Protection
9. All data is stored on areas of the network restricted to staff and officers with responsibility for financial administration and oversight, and members of the IT Support Team. No data is transferred to third parties.