



Lancaster University Students' Union

FINANCIAL REGULATIONS

Updated December 2011

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1.	INTRODUCTION
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- 1.1. This document sets out the Union's financial regulations. It was approved by the Trustee Board on 9th December 2011.
- 1.2. These regulations are mandatory on all parts of the Union.
- 1.3. These regulations outline the approved system of financial control which is in place to secure the proper administration of the Union's financial affairs. They provide a useful framework within which officers, post-holders and staff can act in confidence, without fear of financial impropriety. In this sense, the regulations are intended to facilitate and not to restrict.
- 1.4. Any dispute or uncertainty in the interpretation of these regulations shall be resolved by reference to the University's financial regulations.
- 1.5. These regulations shall be reviewed when necessary, although at least every 3 years. The Financial Controller shall conduct the review, taking advice from all relevant bodies, and shall submit a report for approval to the Trustee Board which outlines any proposed amendments to the regulations.

2. SCOPE

- 2.1. These regulations apply to **all** financial transactions undertaken by the officers or staff of the Students' Union, or by any post-holder in an affiliated club or society, or a sub-committee or standing committee of the Union, including JCRs, PGSA, RAG, BFM, LA1 TV and LU Cinema.
- 2.2. These regulations apply to the Union's trading subsidiaries; LUSU Services Company Limited and LUSU Housing Limited.

3. RESPONSIBILITIES

- 3.1. Compliance is a requirement for **all** officers, post-holders and staff.
- 3.2. It is the responsibility of all officers, post-holders and staff to ensure that they comply with the financial regulations and procedures, and are fully familiar with the financial aspects of the Union's Constitution and bye-laws.
- 3.3. Appropriate training relating to these financial regulations will be given to all new officers, post-holders and staff members. Furthermore, the Finance Office will offer day-to-day assistance in understanding these regulations and procedures, and will advise where required. However, it is the individual's responsibility to request assistance as and when needed.
- 3.4. Failure to comply with the financial regulations and procedures may lead to an officer, post-holder or staff member being held personally liable for any cost or loss incurred by the Union or any of its constituent bodies.

- 3.5. The Chief Executive, as the Designated Officer for funds provided by the University, shall ensure that the Constitution, Code of Practice, financial regulations, and any other relevant legislation are adhered to and shall have the power and responsibility to act in the event of any breach of them.
- 3.6. The Financial Controller shall be responsible to the Designated Officer for the financial administration of the Union, including the preparation of budgets, preparation of accounts, provision of management information, monitoring expenditure against budgets, and other financial operations such as treasury management.

4. EXTERNAL AUDIT

- 4.1. The Trustee Board shall appoint external auditors, in accordance with Section 7.9.4 of the Constitution.
- 4.2. The external auditors shall be expected to report, to the members of the Union, their opinion on the statutory financial statements as approved by the Trustee Board.
- 4.3. The external auditors shall have the right of access at all reasonable times to all accounting records and other relevant documentation. They are also entitled to request information and explanations as they see fit from officers, post-holders, staff and any other constituent body of the Union.

5. INTERNAL AUDIT

- 5.1. The internal auditors shall have the right of access to the financial records of the Union, and shall be entitled to make such enquiries as are necessary to ensure that grants from the University are used for the purposes for which they were provided, and that the Union is maintaining adequate and effective procedures for financial control.
- 5.2. The Trustee Board may also request the internal auditors to report on any matter where financial regulations are breached or where financial irregularities are suspected. The internal auditor shall report in the first instance to the Chief Executive and President.

6. BUDGETARY CONTROL

- 6.1. The Union's budget shall be prepared in accordance with the Union Constitution.

- 6.2. A list of budget holders and delegated authorities, together with their authorisation limits, is contained in Appendix A of this document.
- 6.3. Budget holders may only allocate funds from their budget for the express purpose of that budget.
- 6.4. It is the responsibility of the budget holder to control expenditure within the agreed budget, and to achieve income targets where relevant.
- 6.5. As soon as practicably possible following the end of each month, the Finance Office will supply financial reports to all budget holders. This shall be supplemented with more detailed information as and when requested.
- 6.6. The agreement of the Chief Executive must be sought regarding any proposed financial commitment which cannot be met from within the budget allocation.
- 6.7. Budget holders may delegate their authority to a nominee only with written approval (includes e-mail) from the LUSU President (in the case of officer budget holders) or from the Chief Executive (in the case of staff budget holders).

7. FAIR ALLOCATION OF RESOURCES

- 7.1. The Union is obliged by law to allocate resources by a fair process.
- 7.2. Resource allocation, in the form of annual budgets (and any supplementary budgets agreed in year), is ultimately a matter for the Trustee board, and is subject to University approval via the procedure specified in the LU/LUSU Code of Practice.
- 7.3. The timescale for the process will be published early in the lent term of each year. It will allow members and groups to apply for funds, and for their cases to be considered by the LUSU Executive, the LUSU Council, and the Trustees.
- 7.4. At all stages, allocations will be made in line with the aims and objects of the Union, and in line with the policies and priorities of the agreed strategic plan. All allocations will be made by committee, not by individuals, and conflicts of interest will be dealt with as set out in Section 25 of this document.
- 7.5. Members, or groups of members, who feel they have not been treated fairly may lodge a complaint under the procedure set out in bye-laws.
- 7.6. At any time, members have the right to approach the LUSU President, VP E&D, Chief Executive or Financial Controller to ask for advice and information about resource allocation.

8. ULTRA VIRES

- 8.1. The Students' Union is subject to the ultra vires rules, and must act in accordance with its Constitution and with charity law.
- 8.2. An ultra vires act is one that is outside the Constitutional objects and powers of the Union, and is therefore illegal.
- 8.3. No payments will be made if it would breach charity law or Charity Commission guidelines.
- 8.4. In the event of any dispute as to whether the expenditure is permissible the Chief Executive as designated officer will follow the process set out in Section 18.7 of the Constitution.

9. INCOME

- 9.1. All sales must be made through a till, or other system, approved by the Finance Office. All receipts must be balanced against the till reports in the format specified by the Finance Office. This paperwork must be submitted to the Finance Office according to the agreed timeframes.
- 9.2. All cash and cheques collected remain the responsibility of the collecting officer, post-holder or staff member until such time that it is officially discharged. Cash and cheques collected must be securely stored in a locked cupboard, cash tin, or safe, as agreed by the Finance Office. Where monies are held overnight, secure arrangements must exist for their safekeeping. Keys to safes and other secure containers must be carried on the person of the key-holder. Care should be taken to ensure that the monies held do not exceed the insurance value of the secure facilities provided; refer to Appendix B. Cash income collected must at all times be kept entirely separate from personal funds.
- 9.3. Suitable security arrangements must be adopted for transporting cash to the bank or Finance Office. This includes varying the time and route taken where possible and using an escort in all cases where the volume of cash exceeds £2,000. For sums in excess of £6,000, two escorts must be used. For sums in excess of £10,000, this should be split.
- 9.4. Cash and cheques collected must be banked without deductions, unless specifically agreed with the Financial Controller. Banking must be done no later than three days following collection.
- 9.5. Ticket sales for events must be done using pre-numbered tickets and approved in advance by the Finance Office. Receipts must be reconciled to ticket sales daily.
- 9.6. The Finance Office is responsible for maintaining an accurate and complete record of income.
- 9.7. Official sales invoices must be generated by the Finance Office.
- 9.8. It is the responsibility of the Financial Controller to monitor the level of debts and to report any significant problems to the Chief Executive and Trustee Board.
- 9.9. In the event of non-recovery, the Financial Controller may propose to write off debts up to £5,000. This must be agreed by the Chief Executive. For amounts of over £5,000 the write off must be agreed by the Trustee Board.

10. ORDERING GOODS & SERVICES

- 10.1. It is the responsibility of the budget holder to ensure, as far as practicable, that value for money is obtained in respect of each transaction. Normally these arrangements would include inviting quotations and tenders or using the NUSSL buying consortium, although advice regarding a specific purchase may be sought from the Financial Controller. In all cases full documentation to support a particular purchasing decision must be kept.
- 10.2. Orders must only be placed by budget holders when it is known that a sufficient budget or allocation is available.
- 10.3. Budget holders should only purchase from recognised, authorised suppliers. These would normally be from the NUSSL approved lists. Outside these lists, any new suppliers must be authorised by the Financial Controller or Chief Executive. Before opening a new supplier account – check with the Finance department to ensure that one is not already open and in the cases of new supplier accounts lodge the relevant details i.e. supplier name, account code once authorised.
- 10.4. An official order must be raised for **all** goods and services provided on credit i.e. not paying for it immediately, with the exception of supplies of a continuous and obligatory nature such as rents and utility services.
- 10.5. Orders must include sufficient information on the goods or services being ordered, to enable adequate checks to be undertaken before payment is made. This will include price and quantity, delivery conditions, payment terms, warranty and any reference to existing and previously negotiated agreements. The budget account name / code should also be included on the order.
- 10.6. Orders and contracts shall be placed and signed only by those properly authorised as budget holders / delegated authorities, up to the limits specified in the Appendix of this document.
- 10.7. Orders placed by telephone or email must be confirmed immediately by an official order, which should be clearly endorsed “Confirmation Order”.
- 10.8. All goods and services ordered must be for the purpose that the budget was allocated, and must not be ultra vires. Orders are not to be used for private purchases.
- 10.9. Where the order value exceeds the budget holder’s authorisation limit then their line manager or a second budget holder with appropriate authority should counter-sign the order form once they are satisfied that it complies with these financial regulations. No attempt must be made to separate items on purchase orders so as to reduce the amount below the authorisation limit.
- 10.10. When negotiating long term lease or rental contracts the Financial Controller should be involved at an early stage to ensure that the best terms and conditions are achieved. All lease or rental contracts must be signed by the Chief Executive, after approval from a quorate meeting of the Executive Committee.

11. PAYMENT OF ACCOUNTS

- 11.1. All invoices must be approved for payment by the relevant budget holder/ delegated authority before being passed to the Finance Office. Approval will indicate that the following checks have been carried out: -
 - 11.1.1. Each invoice has been checked against the official order.
 - 11.1.2. The goods or services have been received, the quantity is correct and the quality is satisfactory.
 - 11.1.3. Invoices have not previously been certified for payment for the same goods or services.
 - 11.1.4. Prices are in accordance with the agreement; allowances, returns and credits have been deducted; and calculations have been checked.
- 11.2. Payments should normally be made against official invoices received from suppliers, and not against statements, delivery notes etc. The Financial Controller must specifically approve any exceptions to this requirement. Payment against copy invoices should only be made where detailed checking has confirmed that no payment has been made against an original and the Finance Office should endorse the copy invoice to that effect.
- 11.3. Payments in advance should only be made where there is no practical alternative, and with the agreement of the Financial Controller. Any invoice subsequently obtained should be filed with the original payment documentation, and endorsed appropriately to prevent duplicate payments.
- 11.4. For business credit card payments made on –line, the confirmation documentation should be printed, approved by the relevant authorised signatory, and details of the budget account code provided. The paperwork should be given to the Finance department within 2 working days. For credit card payments made over the phone – refer to section 10.7.
- 11.5. The Financial Controller shall determine the most appropriate method of payment for categories of invoice, which will normally be made via automated payments or by cheque.
- 11.6. Payments are normally processed once a week by the Finance Office. It is the responsibility of the budget holder/ delegated authority to ensure that invoices are submitted on time i.e. within 3 working days of receipt. In exceptional circumstances the Financial Controller may authorise the preparation of urgent payments, subject to the availability of authorised signatories.
- 11.7. The Union will pay all invoices in accordance with the terms of trade agreed with the supplier.
- 11.8. Where discounts are offered for early settlement, it is advisable to deal with these cases as exceptional items and clear them specifically with the Finance Office.
- 11.9. The Financial Controller [or in his/her absence the Chief Executive or in the absence of both a senior member of staff nominated by the Chief Executive] will sign all cheques of a routine nature up to a value of £1,000. Over this amount they must be countersigned by the LUSU President or VP E&D. Cheques with a value over £20,000 must be signed by the Chief Executive and either the LUSU

President or VPE&D. Transfers of any amount between Union Accounts may be signed solely by the Financial Controller or his/her nominee from Finance Office. For automated payments using the NatWest Bankline system, payments will be made by the Financial Controller [or in his/her absence the Chief Executive or in the absence of both a senior member of staff nominated by the Chief Executive.

- 11.10. The LUSU President and VP E&D will perform random checks on invoices and other documentation relating to those cheques which they countersign.

12. PAYMENT CLAIMS

- 12.1 Payment claim forms should only be submitted by staff and students (not suppliers).
- 12.2. Claims for travel, subsistence and miscellaneous expenses will only be allowed for expenditure incurred in the performance of official Union business, and should be limited to the reimbursement of expenditure actually and reasonably incurred. Staff / Officers who are planning to attend an 'event' (which is likely to incur costs above £100) should obtain approval from their Line Manager / President/ VPE & D in advance of that event.
- 12.3. Officers and post-holders should check their eligibility for expenses with the LUSU President, and staff should check with the Chief Executive. This must be done prior to incurring the cost.
- 12.4. Travel shall normally be undertaken by public transport. Private cars may be used in certain circumstances where public transport would be inappropriate or uneconomic, and reimbursement will then be made at the approved mileage rates. If an employee uses their own vehicle for business he or she must ensure that it is road-worthy and that the motor insurance policy includes business cover. The Union is required to check insurance policies and driving licences annually to ensure drivers are correctly insured and qualified to drive.
- 12.5 Travel and subsistence claims may include the cost of meals, accommodation and any other expenditure necessarily incurred while on Union business. Rates are in line with the University Financial Regulations & Procedures. Claims may also be made for reasonable costs incurred by persons entertaining visitors to the Union.
- 12.6. Payment claims shall be submitted at the earliest opportunity, and no later than two months after incurring the expenditure. The amounts claimed shall be supported by receipts where these might reasonably be expected to be obtainable. The receipts should be collected within 2 months and if not the claim amount will be re-imbursed back into the relevant budget code.
- 12.7. Persons undertaking visits and incurring expenditure which will be charged to any account administered by the Union shall do so with the objective of achieving the maximum economy appropriate to the circumstances.

- 12.8. Claimants shall provide full particulars of the dates of absence from the Union, destination and purpose of a visit. Where extended journeys are undertaken, possibly involving a number of purposes, details shall be provided of the expenditure incurred at each stage and the purpose to which it relates.
- 12.9. Claim forms shall be signed by the claimant and this will be deemed to indicate that the expenditure has been wholly, necessarily and exclusively incurred on behalf of the Union and has not previously been claimed. The account to be charged shall be entered and the form shall be approved by an authorised signatory for that budget.
- 12.10. No one can authorise their own claim. The claim should be authorised by their line manager or a budget holder with appropriate authority.
- 12.11. Persons who have approval to undertake visits where the cost of travel and subsistence is estimated to exceed £50 may make an application to the Financial Controller for an advance. Such application shall provide details of the expected expenditure and the total amount required. If approved, the advance may be provided no more than four days before the intended date of departure.
- 12.12. Persons receiving an advance shall submit a claim in accordance with these financial regulations at the earliest opportunity, detailing the expenses they actually incurred. Any unspent amount of the advance shall be refunded to the Union and any balance due to the claimant will be reimbursed.
- 12.13. Cash claims can be collected 24 hours after being lodged with the Finance Office, subject to the availability of authorised signatories. Claims for payment by cheque will be paid on a weekly cycle. Payments can also be paid by BACS and will be paid on a weekly cycle.
- 12.14. Full details of travel, subsistence, entertaining and other sundry expenses that can be claimed are included in the University 'Expenses Manual' document which can be found at www.lancs.ac.uk/depts/finance/Section/ApprovedExpensesManual.pdf

13. PETTY CASH & FLOATS

- 13.1. Petty cash and floats may only be held with the agreement of the Financial Controller.
- 13.2. Petty cash and floats must be stored securely, in a locked petty cash tin or safe for which the key is kept securely, and kept separate from personal cash at all times.
- 13.3. Petty cash must only be used for official purposes, subject to the same ultra vires rules as for other purchases. Petty cash must **never** be used for private purchases, for advances against IOUs or to cash personal cheques. All petty cash purchases must be supported by a receipt as expenditure will not be reimbursed without a receipt.
- 13.4. Floats must only be used for the purpose of changing cash, and must be checked daily. Under no circumstances should the float be used to pay for purchases or to correct till shortages.
- 13.5. Petty cash and floats will be subject to random, unannounced checks by the Finance Office.

14. JCRS & PGSA

14.1. Section 10.1.3 of the Constitution states that the financial management of the JCRs and PGSA must comply with these financial regulations.

The elected Officers of the JCR's/ PGSA will not automatically be a budget holder. Prior to becoming a budget holder / authorised signatory, the Officer must undertake financial training held by the Finance department and be signed-off as such by the Finance department and LUSU President or VP E&D. The sign-off form will include that the Officers agree to abide by the Financial Regulations. No financial activity is to be initiated prior to this.

14.2. Financial Reporting

14.2.1. The annual budgeting process for the JCRs and PGSA is based on the Union's financial year i.e. 1st August to 31st July, and a budget must be set for the year by the end of Summer Term. The budget should be approved by the President and the Treasurer/Gen. Sec and submitted to the Finance department. The budget will be checked by the Finance department and VP E&D / LUSU President and approved if satisfactory.

14.2.2. Changes to the total budget within the financial year must be approved by the Trustee Board. Changes within the budget within the financial year must be approved by the College's General meeting.

14.2.3. Treasurers must take responsibility for the collection of the financial reports which are issued by the Finance Office after the end of each of month (The Finance Office will inform the Treasurers and Presidents approximately 2 weeks after the month-end when the accounts are ready for collection).The Treasurer is responsible for reporting the management information back to their relevant JCR's / PGSA.

14.2.4. The Intro Week budget should be prepared in accordance with the regulations in 14.2.1.

14.3. Social Events

14.3.1. A social budget form must be completed for every social for which a charge is made. This must be approved by the Treasurer/Gen. Sec and 1 of the Social Secs.

14.3.2. Tickets must be drawn from Finance Office for all social events where a charge is made. The collecting JCR or PGSA officer is responsible for matching the number of tickets sold to the proceeds collected, for banking the cash, for returning unsold tickets and for returning ticket stubs.

14.3.3. The requirements for extravs are set out from time to time by the LUSU Executive.

14.4. Games Machine Income

14.4.1. All gaming machine contracts will be negotiated centrally by the Union on behalf of the JCRs/PGSA and surplus cash must be removed in accordance with the contract.

14.5. Purchase Ordering

14.5.1. Orders can only be made by the officers authorised by the JCR or PGSA Bye-Law.

14.5.2. All orders must be signed by two officers- one signature must be the Treasurer / Gen. Sec. and it is their responsibility to ensure that it is within budget.

14.5.3. For all orders above £500, and for events where the total expenditure exceeds £500, the following guidelines must be applied:-

(i) advice must be sought from Union staff and officers

(ii) assurance must be given that sufficient sums are available in the budget and that sufficient cash exists

14.6. Petty Cash

14.6.1. The JCRs or PGSA may hold petty cash up to a maximum limit of £200.

14.6.2. Petty cash held by the JCRs or PGSA Officers are subject to the conditions set out in Section 13 of this document.

14.7. Equipment

14.7.1. JCR and PGSA Officers are responsible for all Union equipment held within their college. An inventory must be maintained for all equipment and lodged with Finance Office. Equipment should be labelled and cross referenced to the inventory. It should also be security marked where possible.

14.7.2. Where equipment is loaned to other colleges it must be signed out and signed back in. The borrowers must acknowledge their responsibility to return the equipment by the agreed date and in the same condition when it was borrowed. The lenders must sign that these conditions have been adhered to.

15. CLUB & SOCIETY ACCOUNTS

- 15.1 The club/ society will hold a bank account with the Lancaster University branch (or Lancaster town centre branch) of NatWest Bank.
- 15.2 The club/society will appoint a Treasurer of its funds to maintain adequate and proper financial records of its income and expenditure.
- 15.3 The club / society will appoint three members of its executive to be the authorised bank signatories.
- 15.4 The account will be run in accordance with the bank's prevailing Terms and Conditions, so as not to bring the Students' Union into disrepute by association.
- 15.5 The Financial Controller, acting on behalf of the Trustees, shall have the right of access at all reasonable times to the accounting records and to request information and explanations about the financial matters of the club/society as they see necessary.
- 15.6 The accounting records must be made available upon request to the Union's external auditors, who will select a random sample of accounts for auditing.
- 15.7 In the event of mismanagement-the-club/society may be suspended from affiliation with LUSU. The impact of this would include; the group being barred from submitting funding applications, booking University controlled space and being provided with insurance cover.
- 15.8 Failure to comply with these financial regulations may lead to the account signatories being held personally liable for any loss incurred by the club /society.
- 15.9 Purchase orders will be submitted to the supplier in the name of the club/society, free of any suggestion that the Students' Union may be liable for payment, and must only be placed when it is known that sufficient funds are available to cover the cost of the order.
- 15.10 In the event that the club/society is awarded sponsorship by a third party, the executive will submit an invoice to the sponsor in order to draw down the funding or alternatively the Sponsor may agree to pay the invoice directly. For further details on sponsorship deals – see section 16.
- 15.11 For the few Societies that have still not transferred over and opened their own NatWest bank account, there is still a designated account for funds raised by the membership. Control of these accounts rests with the membership through an elected committee.
- 15.12 For those clubs and societies who have not set-up their own bank account all claims must be authorised by the President or VP E &D prior to payment.
- 15.13 Any balances held on the bank account (for those held centrally) at the year-end will be rolled over providing the club/society is still active.

16 SPONSORSHIP

Sponsorship is a business relationship between a provider of funds, resources or services and an individual, event or organisation which offers in return rights and association that may be used for commercial and other advantage in return for the sponsorship investment.

16.1 JCR / PGSA or Club/Society Sponsorship Deal

- A sponsorship form must be completed detailing the proposed sponsorship arrangement
- The sponsorship form and accompanying documents such as a 'contract' must be approved by the LUSU Executive prior to any initiation of the deal.
- Refer to section re Bribery / Gifts& Hospitality. In summary it is an offence to receive a bribe in order to secure an arrangement such as a sponsorship deal.

17. INSURANCE

17.1. The Financial Controller shall have overall responsibility for:-

- (i) Effecting all insurance cover and negotiating all claims on behalf of the Union
- (ii) Ensuring that there is a periodic review of insurance cover
- (iii) Reviewing the Union's insurers and advisors in accordance with the Union policy
- (iv) Maintaining a register of all insurance cover provided
- (v) Insuring any new risks or alterations affecting risk, as notified by a budget holder
- (vi) Claiming for any loss, liability or damage covered by insurance.

17.2. It is the responsibility of each officer, post-holder or staff member to notify the Financial Controller upon the occurrence of any loss, damage, liability or potential liability. Evidence supporting the claim should be provided in such form as may be required by the Financial Controller.

17.3. No officer, post-holder or staff member shall admit liability, take any action or enter into any correspondence admitting liability on behalf of the Union.

18. VALUE ADDED TAX

18.1. The Financial Controller shall maintain the VAT records for the Union, and shall make all VAT payments, and receive all VAT credits, as appropriate.

18.2. VAT will not be paid unless the supplier's VAT registration number is shown on the invoice.

18.3. All monetary values stated in these regulations exclude VAT.

19. BANKING ARRANGEMENTS

- 19.1. The Financial Controller will make all arrangements to open and operate accounts with the Union's bankers. No other officer, post-holder or staff member may open bank accounts in respect of Union funds. All bank accounts shall be in the name of the Union or one of its subsidiary companies.
- 19.2. No other constituent part of the Union is permitted to operate a bank account unless specific permission has been obtained from the Financial Controller and confirmed by the Trustee Board.
- 19.3. The Financial Controller and the Chief Executive are the only persons authorised to deal with the Union's bankers in matters affecting the Union's funds, properties and securities).
- 19.4. On behalf of, and with the authorisation of, the Executive Committee the Financial Controller shall negotiate all borrowing and investment requirements for the Union, within a framework agreed by the Trustee Board. Note: for investment requirements that are undertaken with the current bankers NatWest the Trustee Board has agreed to delegate this operation to the authorised bank signatories of the Union.

20. NOMINEE SHAREHOLDER

- 20.1. The Chief Executive will hold shares on behalf of the Union, but acting only with the agreement of the Trustee Board or LUSU Executive.

21. ASSETS

- 21.1. Budget holders are responsible for the safe custody and proper use of equipment, vehicles, furniture, stores and other items held within their departments and must take all reasonable measures to prevent losses. Authority to dispose of assets must be requested from the Financial Controller.
- 21.2. Budget holders are responsible for maintaining up-to-date departmental inventories of all fixed assets. Where practicable, assets should be permanently marked to identify them clearly as Union property. Prime responsibility for the equipment inventories rests with the budget holder but checks will be made by the Financial Controller from time to time.
- 21.3. Where equipment is loaned it must be signed out and signed back in. The borrowers must acknowledge their responsibility to return the equipment by the agreed date and in the same condition when it was borrowed. The lenders must sign that these conditions have been adhered to. However, no property should be removed from the Union premises without the prior permission of the Chief Executive or Financial Controller.
- 21.4. Losses and damage to Union property must be notified immediately to the Financial Controller so that an insurance claim can be made where appropriate.

22. STOCK

- 22.1. Budget holders are responsible for any stock held within their department. Adequate records must be kept of all stock received and sold, to ascertain the current value of stock held at any time.
- 22.2. All stock must be securely stored in a locked room or cupboard, to which access is restricted to a limited number of known individuals.
- 22.3. The Finance Office must be informed of the value of, and the reason for, any loss, theft or misappropriation of stock.
- 22.4. Arrangements must be in place to identify stock which is old, damaged or obsolete. Any resulting write-offs of stock must be authorised by the Financial Controller. Proper procedures such as stock rotation must be used to minimize any write off.
- 22.5. Stocktaking arrangements must take place as agreed with the Financial Controller.

23. ALCOHOL, QUIZZES & GIFTS

- 23.1. The purchase of alcohol must be limited to the following circumstances: for formal dinners, where required under contract e.g. extrav riders, and for end of year gifts. The purchase of alcohol as an enticement to attend meetings or to join clubs is strictly prohibited.
- 23.2. Quizzes must be self-financing.
- 23.3. The purchase of gifts for college officers and staff is limited to a maximum of £60 in any one year, with up to £30 of that amount allowed for alcohol (see 23.1).

24. PERSONAL FINANCIAL MATTERS

- 24.1. The Union will not cash cheques for officers, post-holders or staff members.
- 24.2. Officers, post-holders and staff members are expected to reimburse the Union for the use of any Union resources including, but not limited to, private telephone calls, photocopying, and stationery that is not used for Union purposes.
- 24.3. Vehicles owned, leased or hired by the Union are to be used for Union business purposes only and should not be used for private travel.

25. PAYROLL

- 25.1. Payments of salaries and wages to all employees of the Union shall be made under arrangements approved by the Financial Controller.
- 25.2. All payments shall be made in accordance with the contracts of employment that are in place, subject to current legislation and HMRC regulations.

- 25.3. All payments to individuals who consider themselves to be self-employed in respect of services provided to the Union, shall still be processed through the payroll system unless the status of the individual has been confirmed as self-employed in accordance with the latest HMRC guidelines.
- 25.4 All submitted timesheets for student staff should be checked and authorised by the Line Manager. Timesheets should be submitted weekly to the Finance Office by noon on Monday following the week of work for payment that week.

26. EXTERNAL FUNDING

- 26.1 All approaches / bid documents for external funding must be authorised by the Chief Executive and LUSU President prior to being submitted. 'External' also includes approaches to the University.
- 26.2 Copies of such successful contracts / bid documents must be supplied to the Finance department.
- 26.3 The outcome of bids are to be reported to the Chief Executive and LUSU President (and other relevant parties where necessary).
- 26.4 For sponsorship see section 16.

27. FINANCIAL ETHICAL RESPONSIBILITY

The Union expects that its staff / officers will act in good faith, impartially and in accordance with their positions of trust.

27.1 FINANCIAL IRREGULARITIES

27.1.1 Definitions

Fraud: - The intentional distortion of financial statements or other records by persons internal or external to the University, to conceal the misappropriation of assets, or for gain or for some other purpose. It would include offences covered by the Fraud Act 2006, including fraud by false representation, failure to disclose information when under a legal duty to do so and fraud by abuse of position.

Theft: - The dishonest taking of property belonging to another with the intention of depriving that other permanently of its possession.

Bribery: - Requesting, offering or receiving a bribe, or a payment, or other advantage, with the intent to induce improper conduct or performance of a function.

Money Laundering: - Exchanging money or assets that were obtained criminally for money or other assets that are „clean“ (i.e. without any obvious link with any criminal activity).

Corruption: - Giving or obtaining advantage through illegal or dishonest behaviour, or through means which are inconsistent with one's duty or the rights of others.

Other Irregularity: - The failure to observe the Union's Financial Regulations, policies and procedures, or a breach of the laws of the land.

27.1.2 Principles

The University expects that all breaches or suspected breaches of the Regulations are fully investigated and, if appropriate, disciplinary measures are invoked.

Any suspected financial irregularity must be reported immediately to the Financial Controller who will inform the LUSU President and Chief Executive.

27.1.3 The Chief Executive and LUSU President shall be notified immediately of any matter which involves, or is thought to involve, irregularities concerning cash, stores or other property of the Union.

27.1.4 The Chief Executive and LUSU President shall make any inquiry that they consider necessary and may appoint an independent “investigating officer”.

27.1.5 Where there is prima facie evidence that members of staff are involved in such irregularities the Chief Executive will then decide if the procedure for dealing with cases of alleged misconduct as set out in the University’s personnel policies should be invoked or whether other disciplinary action may be appropriate.

27.1.6 Where officers of the Union are involved then the Chief Executive and LUSU President and VP E & D shall act jointly and investigate initially and, if thought appropriate, shall refer the matter to the appropriate Union or University disciplinary body.

27.1.7. Where officers are involved in the loss of funds the loss they will be invoiced for this amount.

27.1.8 For more serious matters the police may be involved.

27.2 GIFTS & HOSPITALITY

The Bribery Act 2010 marks a significant development in the UK’s anti-corruption laws. A few of the key highlights of the Act include:

- Defining a ‘bribe’ namely to ‘offer, promise or give a financial advantage to another person’.
- An offence covering the recipient of a bribe (i.e. the person requesting/ agreeing to receive or accept a bribe)
- A maximum penalty of ten years’ imprisonment or an unlimited fine

Two areas where care is required is that of gifts and hospitality which are covered below:

27.2.1 Material gifts or hospitality offered by an individual or company that does or could provide services to the Union should be refused where they could be construed as an inducement to secure favour. Officers, post-holders and staff members must not accept personal gifts or gratuities of any kind, including entertainment, gift certificates, the use of property or facilities, or other favours of value. This does not include speciality advertising items of low value such as diaries and calendars.

27.2.2 Modest hospitality is an accepted courtesy of a business relationship. However, the guiding principles to be followed by all officers, post-holders and staff members must be:

- (i) that individuals should not allow themselves to reach a position whereby they might be (or deemed by others to be) influenced in making a business decision as a consequence of accepting such hospitality
- (ii) that the conduct of individuals should not create suspicion of any conflict between their official duty and their private interests
- (iii) that the frequency and scale of hospitality accepted should not be significantly greater than the Union would be likely to provide in return.

27.2.3 When it is not easy to decide between what is and is not acceptable in terms of gifts or hospitality, the offer should be declined or advice sought from the Financial Controller.

27.3 CONFLICTS OF INTEREST

27.3.1. Any officer, post-holder or staff member who has a connection with any outside organisation which sells to or buys from the Union must declare his/her interest in writing to the Chief Executive, and should not under any circumstances be the person who authorises any transaction between the Union and that organisation.

27.3.2. Any officer, post-holder or staff member should not participate in any discussion or decision where there is or is likely to be a significant conflict of interest between themselves and the Union without first making a declaration that such a potential conflict exists. There may be times when the conflict is so substantial that it is appropriate for them to withdraw from the meeting.

APPENDIX A: BUDGET HOLDERS

Budget	Budget Holder	Authorisation Limit	Delegated Authority
President	President	Up to the level of the relevant budget	
Full Time Officers' Salaries			
Campaigns			
Union Council Reserve			
Conferences			
NUS Fees			
VP Events & Democracy	VPE & D	Up to the level of the relevant budget	
Social & Events Group			
Democracy			
Implementation of Strategic Plan Reserve	President & VP E & D jointly	Up to the level of the relevant budget	
Cross-Campus Initiatives			
Union Executive Reserve			
VP Equality, Welfare and Diversity Officer	VP Equality, Welfare and Diversity Officer	£500	
EWD Council Reserve			
LGBTQ Association			
International Student Support	President and VP EWD jointly	Up to the level of the relevant budget	

VP Media & Comms	VP Media & Comms	£500	
SCAN Printing			
Student Media Reserve			
BFM & LA1 TV	VP Media & Comms jointly with President or Treasurer	£500	
LU Cinema			
VP Academic	VP Academic	£500	
Academic Council Reserve			
Postgraduate Student Support	President and VP Academic jointly	Up to the level of the relevant budget	
VP Activities	VP Activities	£500	
RAG	RAG President & Treasurer	£500	
Nightline	Co-ordinators and Communications & Support Manager jointly	£500	
Intro Week	President, VP E & D and Chief Executive (jointly)	Up to the level of the relevant budget	Policy & Communications Director: £2,000 Activities Manager & ASO: £1,000 Communications Manager: £1,000 For above £1k , up-to and including £2k: 2 signatories unless P&CD For above £2k: 2 signatories are required(1 must be CE)
Grad. Ball			Business Development Manager: £2,000 Events & Marketing Assistant: £1,000 Societies & Events Co-ordinator: £1,000 For above £1k , up-to and including £2k: 2 signatories unless

			BDM For above £2k: 2 signatories are required(1 must be CE)
JCRs and PGSA			See Section 14.
Special Events Programme	President, VPE & D and Chief Executive jointly	Up to the level of the relevant budget	Director of Opportunities: £2,000 Activities Manager & ASO: £1,000 Societies & Events Co-ordinator: £1,000 For above £1k , up-to and including £2k: 2 signatories unless D of O For above £2k: 2 signatories are required(1 must be CE)
Staff / SEF Salaries & Wages	Chief Executive	Up to the level of the relevant budget	
Administrative Expenses: Includes Trustee Board expenses & General Manager			Departmental Administrator: £200 for Trustee Board expenses, GM –Other and GM- Office Maintenance.
Printing			
Legal & Professional Expenses			
Staff Training & Welfare/ development			
Depreciation			
Strategic Plan Implementation			
Involve Contribution			
Capital Expenditure			
Insurance			Financial Controller
Non-Recoverable VAT			
Finance Office Costs	Assistant Accountant & Team Leader (in absence of		

			FC): £500
Bad Debts			
Audit Fees			
Housing Office leases			
Information Technology	Digital Services Manager & DRO	£2,000	
Education & Support Centre	Policy & Communications Director	£2,000	Education & Support Manager: £1,000 Communications Manager: £1,000 (Job Shop / Info Desk) Informations Desk Supervisor: £500 (Job Shop / Info Desk)
Officer Training / Conference & Awards			
Operating Costs - Communications			Communications Manager: £1,000
Student activities <ul style="list-style-type: none"> • Activities Groups , BUCS, Carter Shield & Roses • Admin. related (exc. Insurance) 	Director of Opportunities	£2,000	Activities Manager & ASO : £1,000 (Activities – excluding insurance, including Special Events) Societies & Events Co-ordinator : £500 (Activity Group Funding – excluding insurance, including Special Events) Sports Co-ordinator: £500 (Roses and BUCS Funding – excluding Insurance) VP Activities: £500 (Roses & Carter Shield)
LUSU Involve	Director of Opportunities	£2,000	Deputy Director : £1,000 Projects Co-ordinator Green Lancaster : £500 (Green

			Lancaster) Schools Partnership Manager : £500 (New Opportunities Fund) Enterprise & Employability Manager : £500 (Enterprise)
Retail	Business Development Manager	£2,000	Retail Manager & Assistant Retail manager : £500 Retail Supervisors: £250 (goods other than items for resale)
Sugarhouse			Venue Manager: £1,500 Events & Marketing Assistant: £1,000 (Ents/Marketing)
Purple Card			Marketing Manager : £500
Marketing	Business Development Manager and Policy & Communications Director	£2,000	Communications Manager: £1,000 (all codes except IT & purple card) Marketing Manager: £500 (stationery ,printing, other admin., other) Design Co-ordinator: £500 (printing) Communications Manager: £1,000 (Job Shop / Info Desk) Informations Desk Supervisor: £500 (Job Shop / Info Desk)
Housing Overheads	Housing Office Manager	£2,000	Assistant Manager & Senior Housing Assistant: £2,000 (SHA only in absence of Housing Manager/ Assistant Manager). This excludes bad debts and non recoverable VAT.

Goods for Resale & Housing Direct Costs	Trading Managers/ Assistant Manager	£10,000 or £15,000 (The SH)	For Housing Direct Costs: Assistant Manager & Senior Housing Assistant: £2,000 (SHA only in absence of Housing Manager/ Assistant Manager)
	Trading Assistants/ Venue Assistants/Retail Supervisors	£2,000	
	Business Development Manager	£20,000	
	Financial Controller	£25,000	

Notes:

1. The President, VP E&D and Chief Executive can authorise transactions of an unlimited value when countersigning invoices and payment claims.
2. The JCR/GSA budgets may be delegated to the executive of each JCR/PGSA with the agreement of the LUSU President, VP E&D and Chief Executive. All claims, order and invoices must be countersigned by the LUSU President or VPE&D.
3. The Business Development Manager can authorise expenditure up to £5,000 when acting in the absence of both the Chief Executive and Financial Controller.
4. LUSU Involve – over 2,000, authorisation is required by Chief Executive and LUSU President.

APPENDIX B: INSURANCE LIMITS FOR MONIES HELD IN SAFE

Any unspecified safe	£1,000
Chubb Renown Safe	£10,000
Dudley Europa D E1/2 (LUSU Shop)	£10,000
Ludlow Safe (LUSU Shop)	£7,000
Chubb Leamington Safe (Finance)	£4,500
Dudley Europa Grade 1 (Central Stores)	£14,000
ATM (Central Stores)	£4,000 £500 when premises are closed