

LANCASTER UNIVERSITY STUDENTS' UNION

FINANCIAL REGULATIONS

May 2025

Approved by the SU Trustee Board 6th June 2025

Appendix A – updated May 2025

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SECTION A: GENERAL

1. INTRODUCTION

1.1 CONTEXT FOR FINANCIAL REGULATIONS

The Union operates in a regulated context and has obligations to conduct its financial and wider affairs appropriately, mindful of its obligations under

- Charity Law and UK Companies Act; Lancaster University Students' Union is a registered charity and company limited by guarantee and is therefore regulated by both the Charity Commission and Companies House.
- Trustees of the Union must ensure that the charity is carrying out the purposes for which it is set up, and no other purpose.
- Although legally separate from the University, under the Education Act 1994, the University must '*take such steps as are reasonably practicable to ensure that the financial affairs of the Students' Union are properly conducted*'.
- Additionally, the Office for Students places a legal duty on Universities to ensure value for money for all students. As recipients of block grant it is expected that Students' Union will need to be able to demonstrate value for money to their institution.
[/www.officeforstudents.org.uk/about/key-performance-measures/kpm-9-value-for-money](http://www.officeforstudents.org.uk/about/key-performance-measures/kpm-9-value-for-money)
- Her Majesty's Revenue and Customs (HMRC) rules.
- The wider corporate context including Modern Slavery Act, Bribery Act.

This document sets out the Students' Union's financial regulations. These regulations are **mandatory** on all parts of the Union i.e., the Charity and the two group companies.

1.2 GENERAL

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.

Any uncertainty in the interpretation of these regulations should be raised with the Financial Controller who will seek to clarify the point.

Any dispute in the interpretation of these regulations should be raised with the Head of Finance/ Chief Executive. If the dispute is not resolved in this method at this point the issue will be escalated to the Chair of the Finance & Risk Sub-Committee either by e-mail or raised at the next available meeting.

These regulations shall be reviewed, when necessary, although at least every 3 years. The Head of Finance shall conduct the review, taking advice from all relevant bodies, and shall submit a report to the Finance & Risk Sub – Committee which outlines any proposed amendments to the regulations. Following this (subject to any further adjustments) the proposed amended Financial Regulations will be submitted for approval to the Trustee Board.

2. SCOPE

These regulations apply to all financial transactions undertaken by the Trustees, officers or staff of the Students' Union, or by any post-holder in an affiliated student group including JCRs. In the remainder of the document, these will be referred to as 'individuals'.

These regulations apply to the Union's trading subsidiaries; LUSU Services Company Limited and LUSU Housing Limited.

3. RESPONSIBILITIES

Compliance is a requirement for all Trustees, officers, post-holders and staff.

All must ensure that they;	• are conversant with these Financial Regulations and associated policies and comply with the financial regulations and procedures as relevant to their role; • Conduct themselves and represent the Students' Union in line with the guidance set out below; • Seek appropriate guidance prior to engaging in financial areas with which they are not familiar; • Consider and declare any potential conflict of interest and seek advice as necessary; • Familiarise themselves with how to report suspected fraud, bribery, corruption or other serious matters of concern and to take action if they have such concerns. These are outlined in more detail in section 7.3.
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	Everyone must ensure that they are fully familiar with the financial aspects of the Union's Articles of Association and bye-laws.
Individuals with Budget/ Financial Responsibility	Must complete the relevant training offered relating to the financial regulations. It is the individual's responsibility to request assistance as and when needed. Other responsibilities will be included within the body of this report.
Budget Holders	Responsibilities include; authorisation of committed expenditure in accordance with Financial Regulations, preparation of budgets and forecasts (including assumptions) in a timely way, monitoring expenditure/ income against budgets and explanation of variances. Also, completion of the projected out-turn with explanation of key changes from budget.
Finance Office Team	Provide appropriate training relating to these financial regulations to new Trustees, officers, post-holders and staff members. Note: responsibility varies with grade. To give day-to-day assistance in understanding these regulations and procedures and will advise where required.
Head of Finance	Is responsible to the Designated Officer for the financial administration of the Union, including the preparation/ compilation of budgets, projected out-turn, preparation and filing of accounts, VAT and insurance, provision of management information, statutory accounts and other financial operations such as treasury management.
Chief Executive	As the Designated Officer for funds provided by the University, shall ensure that the Articles of Association, 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.
Finance & Risk Sub - Committee	The Trustee Board have delegated the review / scrutiny of the financial affairs of the Union to this sub –committee. There is no permanent authority for approval, however the Committee can make recommendations to the Board (as per Terms of Reference).

Trustee Board	The governing body of the Students' Union and has the ultimate responsibility for directing the affairs of the charity, ensuring it is solvent, well run and delivering the charitable outcomes for the benefit of the public for which it has been setup.
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Failure to comply with the Financial Regulations and procedures will be investigated and may lead to a Trustee, 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.
- Being temporarily suspended
- Having signatory rights permanently or temporarily removed
- Loss of the right to bid for additional funding.
- Being subject to disciplinary action either under the Union's Code of Conduct for Student Members or employment related policies.

SECTION B: CORPORATE GOVERNANCE FRAMEWORK

4. SCHEME OF FINANCIAL DELEGATIONS

The Schedule of Financial Delegations / Budget Holders is contained in Appendix A which is a separate document.

5. RISK MANAGEMENT

The Students' Union acknowledges the risks inherent in its activities and is committed to identifying and managing risks. A separate Risk Policy outlines the underlying approach to risk.

<https://lancastersu.co.uk/resources/risk-policy-may-2025>

It is the responsibility of all Managers to know and understand the main key risks facing the Students' Union and their areas, and how they are expected to contribute to mitigating them. As a Risk Register is a working document/tool all managers are expected to flag where existing risks should be modified or new added on an on-going basis.

Risk Register	Responsibility
Students' Union – Charity	Chief Executive
LUSU Housing Limited	Company Directors
LUSU Services Company Ltd	Company Directors

6. RAISING SERIOUS CONCERNS - WHISTLEBLOWING

Whistleblowing in the context of the Public Interest Disclosure Act 1998 is the disclosure by an employee (or other party) about malpractice in the workplace. A whistleblower can blow the whistle about crime, civil offences (including negligence, breach of contract etc), miscarriage of justice, danger to health and safety or the environment and the cover-up of any of these. It does not matter whether or not the information is confidential and the whistleblowing can extend to malpractice occurring in the UK and any other country or territory.

The Union subscribes to the policy, [‘Raising Serious Concerns: Whistleblowing’](#)). Any concerns should be raised with the relevant member of the Senior Leadership Team or the President or the Vice Chair of the Board in the first instance.

7. COMMITMENT TO PREVENT FRAUD AND OTHER FINANCIAL IRREGULARITY

The Union is committed to ensure the highest ethical standards of business conduct and adopts a zero-tolerance approach to financial misconduct, including money laundering.

7.1 Principles

All ‘individuals’ have a responsibility to prevent fraud or other financial irregularity.

The Union does not tolerate any form of financial irregularity (as listed below) involving ‘individuals’ or third parties and will take action against the people involved. For the avoidance of doubt, these principles would cover temporary workers, agency workers, voluntary staff, agents, contractors, suppliers and any other individuals dealing with or on behalf of the Union. Definitions of the types of financial irregularity are set out below in section 7.2.

The Union expects:

- That individuals and organisations that it deals with will act with integrity and meet all legal and regulatory requirements governing the ethical conduct of business;
- All ‘individuals’ to be aware of their personal responsibilities and to adhere to the Financial Regulations at all times;
- Transactions to be properly and accurately recorded;
- That all breaches or suspected breaches of the Regulations are fully investigated and, if appropriate, disciplinary measures are invoked;
- Prompt action will be taken to remedy any breach and prevent any repetition.

7.2 **Definitions** *(from Lancaster University Financial Regulations; where relevant)*

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

7.3 Reporting

Any suspected financial irregularity must be reported immediately to the Head of Finance who will inform the President and Chief Executive. In the absence of the Head of Finance reporting should be made to an available member of the Senior Leadership Team.

In the event that a suspected financial irregularity involved the Head of Finance, the incident should be reported directly to President and Chief Executive.

In the event that a suspected financial irregularity involved the President and /or the Chief Executive, the incident should be reported to the Vice Chair of the Trustee Board in addition to the President / Chief Executive (i.e. if not suspected).

7.4 Investigation of Suspected Irregularity

The Head of Finance and / or Chief Executive and President shall make any inquiry that they consider necessary and may appoint an independent “investigating officer”.

Where there is *prima facie* (‘on the face of it’) evidence that members of staff are involved in such irregularities, the relevant employment policies will be invoked and ultimately could result in disciplinary action. Throughout any investigation staff may be neutrally suspended.

Where officers or other ‘individuals’ (scope section 2) are involved then the Chief Executive or their nominee, President and a Vice President, shall act jointly and investigate initially and, if thought appropriate, shall refer the matter to the appropriate Union or University disciplinary body.

In addition to the above potential sanctions, where ‘individuals’ are involved in the loss of funds they will be invoiced for this amount.

For more serious matters the police may be involved.

8 COMPLIANCE WITH HIS MAJESTY’S REVENUE AND CUSTOMS (HMRC) RULES

All ‘individuals’ have a responsibility **to help** ensure that the Union complies with HMRC rules across the range of its activities. These rules cover VAT, corporation tax and UK employee taxes (FTO). VAT is covered in section 12.4.

This is a complex area and further advice should be sought as necessary from the Head of Finance.

9 COMPLIANCE WITH PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS (PCIDSS)

As part of wider GDPR requirements, all have a responsibility to help ensure that the Union complies with banking rules around PCIDSS, which protects cardholders who provide their data for the purpose of making payments to the Union. This is a complex area and further advice should be sought as necessary from the IT Manager or Head of Advocacy & Governance.

The Union complies with banking rules around PCIDSS and is PCI compliant.

All JCR's/ PG Board and Student Groups have to sign the PCI DSS form in order to borrow a Student Union card machine. If the rules are not followed, the account will be disabled and the group will no longer be able to take payments.

10 CODE OF CONDUCT

10.1 Principles

The Union is committed to the highest standards of openness, integrity and accountability and expects that 'individuals' act in good faith, impartially and in accordance with their positions of trust. These standards are articulated in the Code of Conduct for Student Members, Code of Conduct for Trustees and behaviours expected of employees.

'Individuals' should never use their authority for personal gain and should always seek to uphold and enhance the standing of the Union.

10.2 Conflicts of Interest

All 'individuals' have a responsibility to consider whether their actions may give rise to a potential conflict of interest or the appearance of one and to seek advice accordingly.

Any 'individual' 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. Conflicts can be managed however, there may be times when the conflict is so substantial that it is appropriate for them to withdraw from the meeting. Any members of Student Union Committees should declare any relevant interest, financial or otherwise, in matters under discussion and should, if requested by the Chairperson, withdraw from such discussion.

Annually ordinarily in the summer, Conflict of Interest declarations must be completed by all career staff of the Union. Any potential conflicts of interest will need to be declared on this form (any updates since previous submission). Staff are required to pro-actively flag to the Chief Executive /CEO Personal Assistant if circumstances change within the year or if a potential conflict may arise.

Any 'individual' who has a connection with any outside 'organisation' (includes contractors) involved in any transaction with the Union must declare their interest in writing to the Chief Executive and should not under any circumstances be the person who authorises any transaction or negotiates any service or contract arrangements between the Union and that organisation. This must be in a timely way. If the Individual is the Chief Executive, the interest must be declared to the Vice Chair of the Board.

A Register of conflict of interests should be kept for all career staff and Trustees by the Union. The Trustee Board Conflicts of Interest are publicly available on the SU website. [Register of Interest @ Lancaster Students' Union](#)

Conflicts of interest equally apply to 'individuals' undertaking financial activity. Any conflicts should be declared to ensure transparency.

10.3 Giving Gifts and Hospitality

10.3.1 Gifts: Offering modest gifts on behalf of the Union is a legitimate way to build good relationships providing they **do not unduly influence decision making or cause others to perceive an undue influence**. Alcohol is not permitted.

10.3.2 Business Entertaining

The Union allows entertainment of external 'customers'. Entertaining expenses can only be described as business' entertaining if they have genuinely been incurred wholly for the furtherance of Union business. In addition, if more employees are in attendance than external participants HMRC may take the view that the entertainment is not genuine business entertaining. HMRC states that business entertaining includes hospitality of any kind and also expenditure on gifts.

HM Revenue and Customs state that, for their purposes, such expenses will normally be allowable if the purpose was to discuss a particular business project. They may also be allowable if the purpose was to maintain an existing business connection or to form a new one. However, expenses are not

allowed to be claimed if entertaining is really for social reasons and not business reasons, even if some business topic happens to be discussed.

Individuals should ensure that any hospitality provided is proportionate and could not reasonably be construed as extravagant, wasteful or poor value for money. If these standards are not met, such funds will not be paid or re-imbursed by the Union. Attendees at any business entertaining event should be properly recorded with sufficient detail on.

Generally, where employees entertain third parties the total cost of the entertainment must be identified and clearly identified as business entertaining. The following information must be provided to differentiate between business entertaining from staff entertaining (see below):

- The name (s) of the attendees (including employees present- the ratio of employees to visitors should not be greater than 3:1);
- The organisation(s) which they represent; and
- The purpose of the entertaining

Alcohol is specifically not allowed.

Service charges and tips up to a maximum of 15% are allowable.

No tax or national insurance liability will arise for the employee and the Union in respect of entertaining expenses by adherence to these rules.

10.3.3 Non-Business Entertaining

Entertaining not involving third parties (i.e., attended by Union 'individuals' only) **should not** be charged to Union administered funds and is not re-imbursable without prior approval of a member of the Senior Leadership Team (SLT). The Head of Finance must be notified, as in most cases, a taxation charge will arise which will be charged to the relevant budget.

10.4 Accepting Gifts and Hospitality

Any 'individual' should be aware of the difficulties which may arise from the acceptance of any gift, favour or hospitality which may be intended to influence the recipient or which could be interpreted by a reasonable person in full possession of the facts as likely to have that effect.

Subject to this, gifts, favours and hospitality of modest value may be accepted in the conduct of established relationships and ideally shared with teams. Individuals when in receipt of corporate hospitality or gifts from students must be careful to avoid the circumstances where it could be seen to impair any objectivity.

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. 'Individuals' 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 promotional items of low value such as diaries and calendars.

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:

- 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
- that the conduct of individuals should not create suspicion of any conflict between their official duty and their private interests
- that the frequency and scale of hospitality accepted should not be significantly greater than the Union would be likely to provide in return.
- This does not include those occasions when a third party pays for expenses relating to work undertaken (e.g., a meal and overnight accommodation after an individual has given a talk).

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 Head of Finance.

Prior to the acceptance of gifts or hospitality with an estimated value in excess of £100. Authorisation should be obtained from the Chief Executive.

Any gifts / hospitality that has been received should be reported to the Executive Administrator within 5 working days who will maintain a register of these.

11 VALUE FOR MONEY

Each 'individual' has a responsibility to take steps to avoid unnecessary spend, eliminate waste and discourage extravagance through their personal actions. They also have a responsibility to bring to the attention of their line manager / President any opportunities that they believe are available to reduce costs within existing procurement regulations and sustainability. The Union requires all Budget Holders, irrespective of the source of funds, to obtain best value for money when purchasing supplies, equipment and services and to ensure that the Union's reputation is not at risk from actions undertaken. 'Individuals' making purchases on behalf of the Union should obtain quotes or carry out a tender appropriate to the value of the purchase being made. These steps are set out in section 17.7 (Expenditure).

SECTION C: FINANCIAL MANAGEMENT AND CONTROL

12. ACCOUNTING ARRANGEMENTS AND COMPLIANCE

12.1 Financial Year

The Union's financial year –end runs from 1 August until 31 July the following year.

12.2 Format of the Financial Statements

The financial statements for the consolidated Union are prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and in accordance with the requirements of the Charities Act 2011. The financial statements for the two trading subsidiaries are also prepared in accordance with the provisions of the Companies Act 2006.

12.3 Financial Systems and Record Keeping

The Unions accounting system is Sage 200.

This has appropriate interfaces to systems such as the automated payment system (Bankline) and the invoice approval / document management system (Paperless).

All financial transactions must be properly and accurately recorded in an appropriate timescale. Where appropriate systems must also provide appropriate electronic interfaces to support HMRC Making Tax Digital Requirements.

No new or replacement systems affecting the receipt or payment of funds to or from the Union or on its behalf may be established without the prior approval of the Head of Finance.

'Individuals' must act in accordance with the University's Information Security Policy. Those with authority to approve expenditure within delegated limits must ensure that their system credentials are protected at all times and take steps to guard their security and take immediate action to notify ISS and the DPO if they suspect these credentials may have been compromised. Delegation of powers to other nominated individuals to cover known absence (e.g. annual leave) should be recorded digitally i.e. by e-mail and this will be updated in Paperless by the Finance department for the period of the absence.

The Finance Office retains invoices and expense records (scanned image or historically a hard copy) for a six-year period to satisfy His Majesty's Revenue and Customs.

12.4 VALUE ADDED TAX (VAT)

The Union is a complex organisation for VAT liability purposes; it has a broad range of diverse activities and operates under three separately VAT registered entities (Union, LUSU Services Company Limited and LUSU Housing Limited). The Union will use the expertise of a VAT Consultant if required.

The Head of Finance shall be responsible for VAT matters: ensuring regulatory compliance, maintaining records for the Union, timely submission returns, making all payments within due date, and receiving all VAT credits, as appropriate.

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

For further information on VAT / record keeping; refer to the following link;

<https://www.gov.uk/charge-reclaim-record-vat/keeping-vat-records>

For payments made by credit card (section 17.6), the credit card holder **must** save the VAT invoice in their credit card folder before the 29th of the month. Irrecoverable VAT due to lack of paperwork will not be accepted.

All monetary values stated in these regulations exclude VAT.

13 FINANCIAL PLANNING AND BUDGET ALLOCATION

13.1. General

The Union operates an annual planning and budget setting process to support the Union's Strategic Plan objectives.

The Union's budget shall be prepared in accordance with the agreed governance procedures approved by the Trustees.

The Budgets (i.e., the Charity, LUSU Housing Ltd and LUSU Services Co. Ltd.) will include anticipated income and expenditure, a Balance Sheet, a monthly Cash Flow forecast and for the Charity Reserves Policy information.

13.2 Budget and Forecast Setting & Projected Outturn Process

13.2.1 The Head of Finance will produce a timetable for these processes and circulate to relevant 'individuals' at the end of the calendar year.

13.2.2 High level budget and forecast assumptions will be discussed and agreed by the Finance & Risk Sub – Committee (usually February). These will then be provided to the Trustee Board

for information at a Board meeting (usually March). These would already have been discussed by SLT.

13.2.3 It is the SLT Budget Holders' responsibility within a timeframe provided by the Head of Finance to produce and submit:

- a documented rationale and draft budget for the activity
- a realistic phasing of income and expenditure of the budget
- High level forecast figures for the following 2 years.
- Any capital expenditure requirements.

Note: Budget templates are provided.

The SLT Lead may delegate the preparation of the budget to the relevant budget holder for that area, however retains the responsibility for the review and submission of the budget and forecasts in a timely manner.

13.2.4 It is the duty of the Head of Finance to compile the overarching budget / forecast information.

The budget submissions and the forecasts will be scrutinised by the SLT.

13.2.5 The budget and forecasts will be submitted to the Finance & Risk Sub-Committee for review (usually May). It is the responsibility of the sub-committee to recommend (or not) the approval of the Budgets / forecasts to the Trustee Board for approval (usually in June).

13.2.6 A mid-year review of the anticipated financial outturn (the 'Projected Out-turn') of the Union (Group) is conducted and submitted to the Finance & Risk Sub – Committee for discussion and noting (usually February) . Subject to any adjustments , this is then submitted to the Trustee Board for information (usually in March).

13.3 Budgetary Control including Reporting

It is the responsibility of the budget holder to control all expenditure within their agreed budget, to achieve income targets where relevant and properly and transparently account for the activity under their control. Expenditure includes capital expenditure.

- A list of budget holders and delegated authorities, together with their authorisation limits, is contained in Appendix A of this document.
- Budget holders may only allocate funds from their budget for the express purpose of that budget (i.e., specific budget headings).
- Budget approval for 'Other Income Generating Activity' i.e., events where additional income is required to break even is covered in section 22.5.

- Budget holders may delegate their authority to a nominee only with written approval (i.e., e-mail) from the President (in the case of officer budget holders) or from the Chief Executive (in the case of staff budget holders).
- **The agreement of the Chief Executive must be sought regarding any proposed financial commitment which cannot be met from within the budget allocation. There should also be no planned variations from agreed budgetary plan without prior approval from the Chief Executive.**

For expenditure (non capex and capex) which has not been budgeted ; the following approval limits apply

- <£50k – CEO
 - >= £50k Trustee Board
- As soon as practicably possible following the end of each month, the Finance Office will supply monthly management accounts to SLT budget holders. This will be in accordance with a month-end timetable usually working days 5-10. A brief narrative will be provided by Finance which will include questions / actions required. Note ; August to October are reported together. Commercial KPI's will be reported for August and September in advance of the quarter 1 accounts. This information would be supplied by the relevant Commercial Manager as required by the Head of Commercial Services.

It is the Budget Holders' responsibility to;

- review the management accounts and narrative
 - provide an explanation/ information of queries and actions that have been raised within 5 working days if practical
 - to highlight any other issues that may have been missed / need to be addressed.

Additional financial information can be requested from the Finance Team.

A 'consolidated' summary of the management accounts are submitted to the Finance & Risk Sub -Committee for information. This includes relevant Balance Sheet information and cash flow forecasts for each of the 3 entities.

These are then submitted to the Trustee Board for information.

Budget Holders are responsible for completing agreed KPI's as relevant to their area in a timely manner and submitting to the Head of Commercial Services.

Stock - see section 19.6 on financial information required.

14 AUDIT REQUIREMENTS

14.1 External Audit

The Trustee Board are responsible for the appointment of external auditors.

The requirement for the Unions accounts to be externally audited are included in section 5.5 of the LU /Students' Union Code of Practice.

The primary role of external audit is to report on the Unions' (including the two trading subsidiary accounts) financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the financial statements. Their duties will be in accordance with the FRC's Ethical Standard.

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.

The Head of Finance is responsible for drawing up a timetable for final year-end accounts preparation and will advise the relevant staff / officers and the external auditors accordingly. Following consideration by the Finance & Risk Sub-Committee, the Annual Report and Financial Statements will, on their recommendation be submitted to the Trustee Board for approval.

14.2. University Internal Audit

The internal auditor 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.

It is the duty of management, not the internal auditor, to operate an adequate system of internal control. It is for the Trustees to determine whether to accept and implement audit recommendations or to recognise and accept the risks from not taking action.

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.

14.3. Other Auditors

The Union may, from time to time, be subject to audit or investigation by external bodies e.g., HMRC, the ICO. These bodies usually have the same rights of access as external and internal auditors. 'Individuals' are required to co-operate with any work planned in their area of responsibility.

15 BANKING ARRANGEMENTS

The Head of Finance will make all arrangements to open, close and operate accounts with the Union's bankers. The opening/ closing of a new bank account requires approval from two authorised signatories as per the bank mandates; one of which is the Head of Finance. 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.

The current exception is some student groups/ Clubs & Societies: section 21. A project is underway to bring student group bank accounts in house. At the point of writing this document the project is mid way through being implemented. Once 'in-house' student groups are not allowed to open an external bank account.

No other constituent part of the Union is permitted to operate a bank account unless specific permission has been obtained from the Head of Finance, reported to the Finance and Risk Sub –Committee and confirmed by the Trustee Board.

The Head of Finance 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.

On behalf of, and with the authorisation of, the Finance & Risk Sub – Committee the Head of Finance shall negotiate all borrowing and investment requirements for the Union. Any Borrowing or Investments proposals need to be reviewed by the Finance & Risk Sub – Committee and agreed by the Trustee Board.

16 INCOME

16.1 General

In respect of income earned by, offered to and / or due for collection by the Union, it is essential that this is accounted for in full, promptly and accurately to facilitate accurate reporting and timely tax payment where appropriate.

The Union has a diverse set of income streams including funding (University and external) and commercial income which may have different conditions attached to them. Therefore, some of the points raised below may not be applicable in all cases i.e., varies with the income stream.

The Finance Office is responsible for maintaining an accurate and complete record of income. This excludes those Clubs & Societies which are not yet banking 'in house' where the responsibility lies with the relevant Treasurer.

16.2 Invoicing

Where goods and services are supplied by the Union (including the two trading subsidiaries), an appropriate charge must be made by raising an invoice on the Union's finance system. Invoices must include VAT where applicable. VAT should be accurately accounted for, noting HMRC Making tax Digital requirements.

Official sales invoices must be generated by the Finance Office except for Clubs & Societies not yet 'in house' (at this point and subject to change) and reflect the correct tax code.

For further information on VAT / record keeping; refer to the following link;

www.gov.uk/vat-record-keeping/vat-invoices

16.3 Debt Collection

It is the responsibility of the Head of Finance to monitor the level of debts and to report any significant problems to the Chief Executive, Head of Commercial Services, Finance & Risk Sub – Committee and the Trustee Board.

In the event of non-recovery, the Head of Finance can write off individual debts up to £5,000. This is up to an annual limit of £20,000. For amounts of over £5,000 (and over annual limit of £20,000) the write off must be agreed by the Finance & Risk Sub- Committee and reported to the Trustee Board.

The amount (£) and number of bad debt write offs will be reported as part of the Management Accounts narrative.

16.4 Sales Recording

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 digital information must be submitted to the Finance Office according to the agreed timeframes.

16.5 Ticket Sales / Union Cloud/ Eventbrite – Digital Receipts

The method of sale is through Union Cloud/Eventbrite. Monies collected through Union Cloud/ Eventbrite for income including membership fees and ticket sales will be paid over to the recipient within an agreed time frame.

‘Income for group events will be subject to a transaction fee. This should be accounted for during any budgeting process and discussed with the Finance Team. Further detail can be found via this link; [Transaction fees on UnionCloud : UnionCloud Support](#)

Monies will not be paid over until they are received from OneVoice/ Eventbrite i.e., in the Students’ Union bank account. If monies are received late, and confirmation has been received from NUS on the amounts due, the Head of Finance (or Management Accountant in their absence) can authorise the payment to the Groups in advance of it being received into the bank account.

Income to student groups will be reflected in their relevant account.

Monies to student groups (not yet ‘in house’) will be paid by BACS directly to their bank accounts, only when evidence has been received (and checked) of their bank account details.

16.6 Cash Receipts (Note: the Students Union is cashless and cash would only be received in exceptional circumstances)

In the **exceptional circumstance** that cash has been received ;

All cash collected remain the responsibility of the officer, post-holder or staff member who has collected them until such time that it is officially discharged. This means banked with the Students’ Union Finance Office, or external bank if applicable. Cash -collected must be securely stored in a locked cupboard, cash tin, or safe, dependent on value. Where monies are held overnight, secure arrangements must exist for their safekeeping. Keys to safes and other secure containers must be secured according to agreed insurance protocols.

Care should be taken to ensure that the monies held do not exceed the insurance value of the secure facilities provided; refer to section 22.2.5.

Cash received should be collected, counted and recorded by two individuals, wherever possible. If this is not practical; cash counts will be rotated across staff members.

Cash income collected must at all times be kept entirely separate from personal funds.

Suitable security arrangements must be adopted for transporting cash to the bank or Finance Office.

Cash must be banked without deductions, unless specifically agreed with the Head of Finance.

17 EXPENDITURE

17.1.1 General

It is the responsibility of the budget holder to ensure that funds are used for proper purposes and that **value for money (see section 11)** is achieved.

In respect of expenditure incurred by or committed to by the Union, it is essential that this is appropriately authorised and an available budget source is identified.

Normally these arrangements would include inviting quotations and tenders (see section 17.7) or using the NUSSL buying consortium, although advice regarding a specific purchase may be sought from the Head of Finance . In all cases full documentation to support a particular purchasing decision must be kept.

17.1.2 Ethical, Social and Environmental Responsibility

The Union recognises that its procurement decisions have an impact on the environment, society and the economy and is committed to improve sustainability. There is Union policy which has been passed by/on behalf of the membership which will impact on purchasing decisions i.e., Single Use Plastics Policy. Due consideration needs to be given to the opportunity to re-use / recycle where appropriate.

The Union will not work with suppliers at home or overseas who exploit child or sweated labour, disregard health and safety, 'pirate' intellectual property or that wilfully damage the environment. The Union will comply with the requirements of the Modern Slavery Act. It will also consider how procurement activity might improve the social and environmental well-being of the local area in compliance with the Public Services (Social Value) Act 2012.

All expenditure is expected to be within the spirit of these policies.

17.2 Authorised Signatories

Authorisation of expenditure must be in accordance with the Schedule of Financial Delegations and within approved budgeting limits (Appendix A).

Budget Holders may further delegate authority to request and approve the purchase of goods or services to other 'individuals' by following the process in section 13.3. Also, this is subject to those 'individuals' having been adequately trained to carry out their responsibilities.

Individuals must ensure that any directly incurred expenditure e.g., expenses claims, do not exceed a specific allocation from a budget holder.

17.3 Ordering Goods and Services

Orders must only be authorised by budget holders when it is known that a sufficient budget or allocation is available.

Care should be taken to ensure if there are any additional costs e.g., delivery, import duties and that these are minimised.

Budget holders should only purchase from recognised, authorised suppliers. These would normally be from the NUSSL approved lists. Outside these lists, any suppliers must be authorised by the Head of Finance 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.

For credit card purchases (see 15.6); the above still applies.

An official digitalised purchase order must be raised for **all** goods and services ;

- >£5,000 for staff
- > £500 for student groups (includes JCR's)

provided on credit i.e., not paying for it immediately, with the exception of:

- supplies of a continuous and obligatory nature such as, regular IT subscriptions, LU printing charges and utility services.
- Salaries/ wages including HMRC, pension payments
- Contractual arrangements e.g., Housing contractors on contracts, LU rent/ service charge, Audit / Corporation Tax fees, consultancy contracts
- Insurance renewals
- Goods for Resale

Orders must include sufficient information on the goods or services being ordered. This will include price and quantity and any specific delivery conditions.

The budget account name / code should also be included on the order.

Orders and contracts shall be approved only by those properly authorised as budget holders / delegated authorities, up to the limits specified in the Appendix A of this document.

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 approve the digital 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.

Ordering of legal / professional services (Budget Holder is the Chief Executive); in the event that this relates to the Chief Executive, the order would be instigated by the Vice – Chair. In the event that this involved both the Chief Executive and the Head of Finance, then this would require Vice – Chair approval. Note: Reporting of Financial Irregularities is covered in section 7.3.

For goods / services where a digitalised purchase order is not required ; the order can be made directly with the Supplier however the individual making the order **must** have the relevant delegated authority . Otherwise that individual could be personally liable for the cost of that order.

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.

For IT equipment and systems where the costs fall under a budget code other than IT e.g., student media these should be referred to the Advocacy & Governance Manager prior to ordering.

17.4 Contracts

When negotiating long term lease or rental contracts (over 1 year) the relevant SLT Lead and Head of Finance should be involved at an early stage. The Budget Holder needs to ensure that the best terms and conditions are achieved. All lease or rental contracts (if outside of the budgetary constraints set out in Appendix A) must be signed by the Chief Executive. Note: this excludes standard Housing leases.

A signed digital copy of any contract needs to be submitted to the Finance Office.

Tendering / quotations is covered in section 17.7.

17.5 Payment of Accounts

17.5.1 Goods For Resale

All invoices must be approved for payment by the relevant Budget Holder/ delegated authority within Paperless (automated invoice processing and documented management system). Approval will indicate that the following checks have been carried out: -

- Each invoice has been checked against the official order.
- The goods or services have been received, the quantity is correct and the quality is satisfactory.
- Invoices have not previously been certified for payment for the same goods or services.
- Prices are in accordance with the agreement; allowances, returns and credits have been deducted; and calculations have been checked.

17.5.2 Other Goods / Services

Prior to payment:

For those invoices where no purchase order is required ;

- Budget Holders send Invoices directly to Paperless in the required format
- These will be sent (via Paperless) to the relevant individuals for approval.
- The individual prior to approval should ensure that ;
 - the invoice agrees with what was ordered e.g. quality, quantity, spec. If not the invoice should not be approved.
 - It is the Budget Holders responsibility to take any queries up with the supplier.

For amounts where a digital purchase order is required ; The invoice will be matched to the authorised purchase order (by Finance)

- Any differences between the order and the invoice will be queried with the Budget Holder.

- If the good / service received is not as ordered (quality /quantity) it is the Budget Holders / Delegated authorities responsibility to inform Finance as soon as possible (so as not to pay the invoice).

- In those circumstances where the invoice has been paid and the goods / service delivered is not of the required standard it is the Budget Holders responsibility to take this up with the supplier.

Payments should normally be made against official invoices received from suppliers, and not against statements, delivery notes etc. The Head of Finance must specifically approve any exceptions to this requirement.

Note ; If there is already an invoice on sage / in Paperless with the same invoice number , Paperless will not allow posting to Sage and there will be an error message.

Payments in advance should only be made where there is no practical alternative, and with the agreement of the Head of Finance. Any invoice subsequently obtained should be digitally filed with the original payment documentation and endorsed appropriately to prevent duplicate payments.

Payments will be made via automated payments.

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 approved in Paperless by midnight on a Wednesday for payment on the Thursday to be received by suppliers on the Friday . It is the budget holder / delegated authority responsibility to ensure that this is within the terms of payment set by the supplier. In exceptional circumstances the Head of Finance may authorise the preparation of urgent payments, subject to the availability of authorised signatories.

The Union will pay all invoices in accordance with the terms of trade agreed with the supplier.

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.

Payment requests that do not fall into the category of purchase orders/ invoices or payment claims e.g. insurance renewals, the payment request should be made to the Finance Office (lusufinance@lancaster.ac.uk), however will need to be correctly authorised with the details of the amount, the budget code, payment method (and bank account details if relevant) any reference required and payee.

17.5.3 Automated Payments – Bankline

Transfers of any amount between Union bank accounts due to an error/ payment correction may be authorised solely by the Head of Finance or another of the Bankline payment authorisers.

For automated payments using the NatWest Bankline system, payments will be made by the Head of Finance or a senior member of staff nominated by the Chief Executive who is set up on Bankline].

17.6 Buying on Line / Credit Card Payments

Business credit cards are only held by key staff (mainly Finance Office), as approved by the Head of Finance. Application for any new cards (current bankers are NatWest) will be authorised by two members of the SLT as per the bank mandates and submitted by the Head of Finance. Each card holder will have a pre-set spending limit on their card (set by the Head of Finance).

Credit cards should be used for low value goods and services only; limit of £500 per transaction. For business credit card payments made on –line; a completed, authorised purchase order form is required as set out in section 17.3. The individual responsible for undertaking the purchase must ensure that this is completed prior to the payment being made.

A VAT invoice and any confirmation documentation **must** saved in the Teams folder by the 29th of each month.

17.7. Tenders and Quotations

Subject to any special rules imposed by funding bodies, the following rules apply (except for goods for resale):

- Under £1,000: the budget holder has the discretion to decide whether or not to obtain quotations, but value for money must always be obtained.
- Between £1,000 and £3,000 - a minimum of 1 additional written quote must be obtained unless the supplier is on the Nussl consortium list. If this is not feasible/ not practical then the reasons why need to be justified and documented with the purchase order.
- Between £3,000 and £5,000 – at least three written quotations must be obtained. If this is not feasible/ not practical then the reasons why need to be justified and documented with the purchase order. Budget Holders should assume this rationale will be tested by the Senior Leadership Team.
- Between £5,000 and £25,000 – at least three written quotations must be obtained. If this is not feasible/ not practical then the reasons why need to be justified and documented with the purchase order. This will need CEO and Head of Finance sign -off along with the appropriate SLT member. Budget Holders should assume this rationale will be tested by the Senior Leadership Team.

For expenditure (this includes annual contract values) in excess of £25,000, competitive tendering will need to be undertaken at least once every 3 years unless business needs demand differently. Where there is no source of competition available and / or for good practical business reasons going to tender is not the best way forward, this would need to be justified in writing to the Chief Executive. Managers should assume this rationale will be tested.

The above figures exclude VAT.

Consulting with all relevant parties and statutory provisions (i.e., Data Protection Officer & GDPR, H&S 'Manager' - Health and Safety legislation et.).

17.8 Advance Payments

Advance payments for goods and services that have not yet been delivered must not be entered into without the permission of the Head of Finance.

17.9. Reimbursement of Expenses (Payment Claims)

17.9.1 General

Payment claim forms should only be submitted by staff and students (not suppliers).

Expense payment claims should not be used for the purchase of goods and services which should be bought in accordance with the purchase ordering procedures (17.3).

Digital payment claim forms are available from the Finance team. A separate template is available to student groups which is saved on the website.

Payment claims are limited to a value of £150 unless agreed in advance by the relevant delegated authorities and the Financial Controller. Non adherence may result in the claimant being unable to claim some or all monies back.

Officers and post-holders should check their eligibility for expenses with a member of the SLT if in doubt. This must be done prior to incurring the cost.

Claims may also be made for reasonable costs incurred by persons entertaining visitors to the Union (see section 10.3).

Payment claims shall be submitted at the earliest opportunity, and no later than two months after incurring the expenditure. However, payment claims will need to be submitted by the end of the financial year to which they relate. The amounts claimed shall be supported by

receipts where these might reasonably be expected to be obtainable. These should be full VAT receipts and not credit card flimsies or copies of bank / credit card statements.

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(s) for that budget. The authorised signatory(s) should complete this within 2 working days and submit to the Finance Office.

No one can authorise their own claim. The claim should be authorised by a budget holder with appropriate authority.

It is the authorised signatory (s) responsibility to check the payment claim / back –up.

Authorised payment claims are then checked by Finance (i.e., to just check that the claim is correctly authorised).

In the exceptional circumstance of a person receiving an advance, they should submit receipts 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.

Payment claims will be paid by BACS on a weekly cycle i.e., submitted to the Finance Office by 5p.m on a Wednesday for re-imburement that working week.

In the rare event that a claim is to be paid in cash; payment will be made within a week.

17.9.2 Travel & Subsistence

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.

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.

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.

Travel and subsistence claims may include the cost of meals, accommodation and any other expenditure necessarily incurred while on Union business.

Travel

Travel shall normally be undertaken by public transport, an exception being Group visits. Private cars may be used in certain circumstances where public transport would be inappropriate or uneconomic, and reimbursement will then be made at the HMRC statutory mileage rates.

If an employee uses their own vehicle for business they must ensure that it is road-worthy (including current MOT certificate where applicable), that the motor insurance policy includes business cover and their driving license is valid. The Union is required to check insurance policies and driving licences annually to ensure drivers are correctly insured and qualified to drive.

All staff driving in connection with students' union business, whether in a hired or personal vehicle, should register and upload a copy of their driving license using the [Driver Registration Form](#).

If staff are using their own vehicles in connection with students' union business, they must ensure that the vehicle is roadworthy (including current MOT certificate where applicable), they have adequate business insurance and register their vehicle by using the [Staff Private Car registration form](#)

If more information is required email; lususafety@lancaster.ac.uk.

Further detail regarding insurance is covered in section 22.2.

Accommodation

In the event that accommodation is necessary; guideline rates per night that the Union will reimburse are;

- London (or major city); up to £160
- Elsewhere in UK; up to £110
- Overseas; 3* / 4* equivalent

This section should be read in conjunction with section 11 on Value for Money.

Subsistence

This includes allowances for meals and personal incidental expenses. Note: the cost of subsistence taken in the course of business travel should be reasonable and supported by receipts.

Meals

On submission of VAT receipts, employees may claim the cost of meals taken in the course of business travel not exceeding what is included in the table below:

UK

Minimum journey time	Maximum (all receipts)
5 Hours	£5
10 Hours	£10
15 hours (and ongoing at 8pm)	£25
Overnight	£25 - plus £5 personal incidental expenses such as private phone calls & laundry

* If the journey time extends beyond 8pm an additional £10 may be claimed (receipted).

Expenses in respect of alcohol **will not** be re-imbursed by the Union.

17.10 FAIR ALLOCATION OF RESOURCES

The Union is obliged by law to allocate resources by a fair process. [Section 22 of the Education Act 1994 \(Section I\)](#) refers to fair allocation of resources to 'Groups and Clubs'. This should be fair and should be set down in writing and freely accessible to all students.

Resource allocation in the form of funding 'pots' that student groups can bid into, should also adhere to the above principles.

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/ Students' Union [Code of Practice](#).

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 8 of this document.

Members, or groups of members, who feel they have not been treated fairly may lodge a complaint under the Union complaints procedure.

At any time, members have the right to approach an FTO, Chief Executive or Head of Finance to ask for advice and information about resource allocation.

17.11 ULTRA VIRES

The Students' Union is subject to the *ultra vires* rules and must act in accordance with its Articles of Association and with charity law. An ultra vires act is one that is outside the objects and powers of the Union and is therefore illegal.

No payments will be made if it would breach charity law or Charity Commission guidelines.

In the event of any dispute as to whether the expenditure is permissible the Chief Executive as designated officer will investigate.

18 PAYROLL

18.1 General

Career staff are paid by the University payroll (and the cost recharged to the Union).

Any additional payment to an employee (e.g., for extra work performed out of hours) must be paid via payroll. Overtime claim forms are available on the POE website.

Holiday authorisation procedures via the automated Core system should be adhered to.

All payments, including to contractors who fall within the intermediaries legislation (IR35), must be made in accordance with HMRC regulations. The Union is required by law to inform HMRC of any payment made to an individual for a service performed where there is either an actual or an implied contract of service.

18.2 FTOs

Payments of salaries to FTO's of the Union shall be made as per their contract arrangements held by the CEO Personal Assistant.

All payments shall be made in accordance with the contracts of employment that are in place, subject to current legislation and HMRC regulations. This includes pension auto enrolment procedures.

Cash advances are only allowed in exceptional cases and these need to be formally requested and approved by the Chief Executive.

18.3 Use of staff via the University ERS

Further information on the University's Employment and Recruitment Service for hiring managers looking to fill temporary vacancies can be found: www.lancaster.ac.uk/employment-and-recruitment-service/hiring-manager/.

In summary Hiring Managers are responsible for:

- Checking and authorising submitted timesheets in a timely manner
- checking that the amount charged by the University agrees to that expected

19. ASSETS

19.1 Budget Holders Responsibilities

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 and unreasonable wear and tear.

Authority to dispose of assets must be requested from the Head of Finance.

Budget holders are responsible for maintaining up-to-date departmental inventories of all assets if applicable e.g., IT, equipment, furniture.

Where practicable, assets should be permanently marked to identify them clearly as Union property.

All IT equipment should be asset tagged. The IT inventory is the responsibility of the Advocacy & Governance Manager

Prime responsibility for the asset inventories rests with the budget holder but checks will be made by the Head of Finance or Management Accountant from time to time.

19.2 Loan/ Disposal / Return of Union Property

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 relevant SLT member, unless authority has been delegated and procedures are in place e.g., PA equipment. However, to facilitate hybrid working, laptops, PC's, monitors, mobile phones and other mobile devices may be removed by the individual to whom the item is assigned but these remain University property. These items may be removed by the 'individual' to whom it has been assigned but remains the property of the Union, however the responsibility of the 'individual'.

There should be no private use of Union owned assets.

On cessation of employment all Union property must be returned to the relevant member of SLT prior to leaving. All IT equipment including laptops, tablets and phones must be returned to the IT Manager for re-use, recycling or disposal in line with the Waste Electric and Electronic Equipment (WEEE) Regulations 2013.

19.3 Loss (including theft)/ damage of Union Property

Losses and damage to Union property must be notified immediately to the Head of Finance so that an insurance claim can be made where appropriate.

19.4 Use of Union 'Space' or Facilities

Arrangements allowing other organisations or their staff to use any Union 'space' or facilities can only be made with approval from the President / Chief Executive.

19.5 Capital Expenditure (Fixed Assets)

Fixed assets are defined as set out in the Accounting policies of the Annual Report and Financial Statements i.e., initial purchase price of over £2,500.

Before ordering any CAPEX a CAPEX form needs to be completed and submitted to the CEO for approval. CAPEX is part of the Budget process and will therefore be included in the Budget approval process.

For CAPEX which has not been budgeted ; the following approval limits apply

- <£50k – CEO
- >= £50k Trustee Board

CAPEX required for any emergency expenditure e.g. Health & Safety would not need to wait until a scheduled Finance & Risk / Trustee Board meeting but could be done via an emergency meeting or an online decision could be made. FRSC and the Trustee Board would only approve if the CEO has already approved it.

The Head of Finance will maintain an asset register recording fixed assets and will arrange for a physical check of assets against the asset register to be conducted once a year.

Fixed assets will be depreciated using the methods and rates as set out in the Accounting policies of the Annual Report and Financial Statements.

The purchase, lease, rent or sale of land and buildings can only be undertaken with the authority of the Trustee Board.

Authority to dispose of assets must be requested from the Financial Controller.

19.6 Stock

Budget holders are responsible for establishing adequate arrangements for the custody and control of stock held within their department and for ensuring that systems are commensurate with Health and Safety guidelines.

Stock in this context includes stock for resale, bus passes and rarely tickets and college welcome packs.

Adequate records must be kept of all stock received and sold, to ascertain the current value of stock held at any time.

Stock must be kept at a practical minimum.

All stock must be securely stored in a locked room or cupboard, to which access is restricted to a limited number of known individuals.

The Head of Finance must be informed of the value of, and the reason for, any loss, theft or misappropriation of stock.

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 Manager of the area (within their authority limits). Proper stock management procedures such as stock rotation must be used to minimize any write off.

Stocktaking arrangements must take place on a regular basis as agreed with the Head of Commercial Services.

Regular stocktakes must be undertaken by the Budget Holder (regularity / timing as agreed above). The results of the stocktake should be communicated to the Finance department within 2 working days.

20. JCRS

20.1 General

Section 46 of the [Articles of Association](#) states that the financial management of the JCRs must comply with these financial regulations.

The elected Officers of the JCR's 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. By signing the 'Authorised Signatories' form/ card the Officers agree to abide by the Financial Regulations. No financial activity is to be initiated prior to this.

In the event of any investigations into suspected irregularities, authorities may be suspended. This would be agreed by the VP UD / President and Financial Controller / Chief Executive (see section 7).

20. 2. Financial Reporting

The annual budgeting process for the JCRs is based on the Union's financial year i.e., 1st August to 31st July, and a draft budget should ordinarily be set for the year by the end of June. The budget should be approved by the President and the Treasurer/Gen. Sec and submitted to the Finance department and VP UD. The budget will be checked by the Finance department and VP UD/ President.

The JCR's should ensure that they follow their own 'Terms of Reference'.

Changes within the budget within the financial year i.e., across the budget codes must be authorised by the Treasurer and one other member of the JCR Exec. The other member of the Exec. should be the one responsible for the budget area that is having budgeted funds reduced (if applicable). Communication of such changes should be sent to the Finance Office.

See Section 13.3: Budgetary Control.

The Finance Office will send (via e-mail) the Treasurers and Presidents the management accounts for the period approximately 2 weeks after the month-end. Further information e.g., a transaction listing will be provided on request. The Treasurer is responsible for reporting the management information back to their relevant JCR's.

The Welcome Week budget should be prepared as soon as possible after / or at the same time as the approval of the Annual Budget.

20.3. Social Events (includes Christmas)

- 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. or President. for approval at least 5 working days before the event. Note: any budgets must be approved by the Management Accountant / Head of Finance before any costs are committed or 'items' sold. This is done via the Teams approval process. Ticket sales are digital i.e. (through Union Cloud). For tickets sold through NUS Union Cloud – refer to section 16.5.
- Winter Ball budgets need to be approved by the end of the week 3 of Michaelmas term, however it is encouraged to do this significantly earlier.

20.4. College Involvement

Where there is to be College involvement in JCR activity, the proposed agreement needs to be documented and agreed by both parties in advance of the event. Details of this agreement needs to be given to the Finance department.

For those instances whereby the JCR owes the College (e.g., SCR) funds; the JCR will need to raise a purchase order form (for items >£500).

For those instances whereby the College (e.g., SCR) owes the JCR funds; the College (SCR) will need to raise a purchase order form.

20.5. Purchase Ordering

- No ordering of goods / services can be made prior to approval of the relevant budget
- Orders can only be made by the officers authorised by the JCR or PG Board Terms of Reference.
- 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.
- It is expected that purchases will demonstrate value for money (see section 11).
- Refer to section 17.3 for further detail.

20.6. Reimbursement of Expenses (Payment Claims)

This is included in section 17.9 (also includes cash advances as the JCR's do not have petty cash).

20.7. Equipment

JCR and PG Board 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.

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.

Refer to section 19.2 for more detail.

20.8 Alcohol and Gifts

The purchase of alcohol must be limited to the following circumstances: for formal dinners and official Union receptions and where required under contract e.g. riders. The purchase of alcohol as an enticement to attend meetings or to join clubs is strictly prohibited.

Purchase of gifts using Union funds for individuals is not allowed.

21. STUDENT GROUP BANK ACCOUNTS

The Students' Union is in the process of bringing banking in-house (and transaction processing) for those affiliated student groups who currently have external bank accounts.

The section below covers both situations until all affiliated groups are brought 'in house'

Student Groups – Internal SU Bank Account

Groups should have closed their external bank account and transferred the funds to the Students' Union bank account. Note ; the monies will still be the Student Groups.

Full details of the procedures and process are on the website accessed by the link below.

<https://lusu.freshdesk.com/a/solutions/articles/11000130950>

The club/ society will hold a bank account regulated by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA).

There are circumstances where a society does not have to hold a bank account i.e. low-income societies. The criteria that must be met can be found on:

<http://help.lancastersu.co.uk/solution/articles/11000057912-societies-without-bank-accounts>

The club / society will appoint at least two members of its executive to be the authorised bank signatories.

The bank account will be used for the proper and lawful use of the club/ society.

The account will be run in accordance with the bank's prevailing Terms and Conditions, so as not to bring the Students' Union and the University into disrepute by association.

The Head of Finance, 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.

The accounting records must be made available upon request to the Union's external auditors, who may select a random sample of accounts for auditing.

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 22.1.

Applicable to Both

The club/society will appoint a Treasurer of its funds to maintain adequate and proper financial records of its income and expenditure.

In the event of mismanagement, the club/society may be suspended from affiliation with the Students' Union. The impact of this would include; the group being barred from submitting funding applications, booking University controlled space and being provided with insurance cover.

Purchase requests 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.

'Clubs and Societies' are not VAT registered and are not included in the Union VAT entity.

Fundraising

Whilst student groups enjoy a level of operational independence, they are considered part of the Students' Union's legal and regulatory framework, unless they have taken steps to establish themselves as separate legal entities. The Sports Development and/or Societies & Communities Teams at the Union are therefore here to support any student fundraiser to ensure their activities are legal and ethical.

To make sure all fundraising is legal and transparent, all fundraising must be declared in advance to being undertaken to the respective staff operational team.

All money fundraised must be processed through the Students' Union bank account. It should not be processed through an external bank accounts or a personal account as these aren't legally protected by the Students' Union. The money you raise will then be administered by the Students' Union RAG (Raising & Giving) bank account.

Student groups can also use online platforms to fundraise but must let the Union know beforehand so we can make sure all the money you raise goes to where it should do.

All fundraising must be for legitimate and ethical causes. Up to 50% of fundraising can be for your student group but this must always be declared when collecting donations and when advertising fundraising

If an event includes fundraising, make sure you complete the fundraising section of your activity registration form.

22 OTHER

22.1 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.

JCR or Club/Society Sponsorship Deal

- A sponsorship form must be completed detailing the proposed sponsorship arrangement. Some organisations have their own form, however a proforma can be found on the link below with T & C's.

<https://lusu.freshdesk.com/support/solutions/articles/11000130950>

- The sponsorship form and accompanying documents such as a 'contract' must be approved by the Head of Commercial Services.
- 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.

22.2. Insurance

22.2.1 Responsibilities

The Trustees through the Financial Controller shall have overall responsibility for: -

The Financial Controller, in consultation with the Chief Executive is responsible for ensuring that the Union has appropriate levels of insurance cover. The Financial Controller is responsible 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.

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.

It is the responsibility of the individual to inform the Financial Controller of any new circumstances affecting risk in order that they can be accommodated from an insurance perspective.

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.

22.2.2 Staff Insurance Issues

Travel insurance for members of staff is not covered under the Union's insurance arrangements. Therefore, if required this will need to be arranged separately.

If it is planned that Union equipment will be taken for use abroad then this should be flagged to the Financial Controller to check if this is covered under the Unions insurance policy.

22.2.3 Hire of vehicles

Motor vehicle insurance is provided for individuals on Union business using hire vehicles from the Union's preferred suppliers. Drivers must be over 21 years old and hold a full UK driving license. There are further insurance requirements which need to be met and these are included in the Driver Registration form which must be completed before driving these vehicles.

Any vehicle bookings need to be made through the [Vehicle Booking Form](#). No bookings should be made directly with suppliers as adequate insurance cover must also be arranged.

22.2.4 Use of Own Vehicles

Ordinarily staff making infrequent work-related travel by car (outside of getting to and from their place(s) of work, should make arrangements to use a hire car from one of the Union's recognised suppliers.

If staff are using their own vehicles in connection with Students' Union business, they must ensure that they have adequate business insurance and register their vehicle by using the [Staff Private Car registration form](#) on an annual basis.

For student groups; individuals wishing to use their own vehicle must first register online through the Union web site.

22.2.5 Safe Limits: For Insurance purposes

Any unspecified safe	£1,000
Chubb Duogard Grade 1 £150k (Finance)	£10,000
Dudley Europa Grade 1 (Central Stores)	£14,000
Securikey Mini Vault (Welcome Desk)	£3,000
Chubb Euro Commerce (Sugarhouse)	£20,000
Dudley Euro Grade 2 (Sugarhouse)	£20,000
Dudley D4 (Sugarhouse)	£4,000

22.3. Personal Financial Matters

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.

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.

22.4 External Funding

All approaches / bid documents for external funding must be authorised by the Chief Executive prior to being submitted. 'External' also includes approaches to the University.

Copies of such successful contracts / bid documents must be supplied to the Finance department.

The outcome of bids are to be reported to the Chief Executive and President (and other relevant parties where necessary).

22.5 BUDGET APPROVAL FOR PROJECTS/ EVENTS WHERE OTHER INCOME GENERATING ACTIVITY IS REQUIRED TO BREAK EVEN

This section is for projects / events where income is required to be generated in order for it to break -even e.g., Extravs, JCR Christmas events, Roses.

The Financial delegations are shown in the Table below.

General Stipulations

These stipulations apply to all project/event budgets requiring approval:

- Projects/events must be fully costed using an appropriate costing tool and fully approved in accordance with the Financial Regulations Schedule of Delegations (see below).
- This is before any submission of a bid/plan to an external sponsor (including the University) or, any contractual obligations made.
- Adequate time needs to be given to allow for the approval process.
- Appropriate costing tools for the Union ordinarily are as follows; Social Request Forms and Budget Spreadsheets. Where a third party's budget model has to be used this must be discussed with the Financial Controller or Management Accountant.
- Any budgets must be checked by the Finance Controller or Management Accountant prior to submission for approval.
- A risk register will be created for any projects of a value of over £10k.
- The Chief Executive will keep the Trustee Board informed as to the number and nature of substantive additional projects being undertaken to ensure that the organisation is not over-exposed in terms of project commitments.
- All documents relating to additional projects including budgets, contracts and bids should be copied to the Finance Office.
- Appropriate allowance for VAT must be made.

Projects /Activity Funded by Sales Income

- Projects should ordinarily breakeven at no more than 80% of sales.
- A business case should be prepared giving a rationale for the activity. This should state the benefits the activity will deliver and account for environmental context likely to affect the success of activity.
- Cases should also identify how/if financial risks can be mitigated if anticipated income is not achieved.
- Delegated budget approval limits are as follows and based upon expenditure commitments that have to be covered by sales income. Expenditure covered by internal and external budget contributions can be disregarded.

Financial Delegations Schedule

Budgets relating to:	Approval Limit	Delegated Authority To
Officer Budgets/JCRs Includes Social Budget Forms e.g., JCR events such as Xmas	>£6k and < £15k < £6k	CEO or Head of Finance Head of Finance
LUSU Services Ltd/ LUSU Housing Ltd	<£20k	CEO / Head of Commercial Services
The Union charity (non officer/ JCR budgets) e.g., Extravs, Roses	< £60k	Chief Executive and Head of Finance after consultation with appropriate student officers
Any Project/Event above approval limits		Submitted to F & R sub - committee for recommendation to Trustee Board for approval

- **Projects/Activity Fully Funded by the University**

- Where the University has pledged funding for an activity there must be clear written confirmation of the funding from the appropriate budget holder. This should include:
- A record of any terms and conditions attached to it.
- The internal university approval process by which the funding has been agreed.
- How the funding will be delivered to the Union.

- **Projects Funded by an External Sponsor/Body**

- Consideration will be made as to the nature of the funding available and who it is from. Funding will only be taken if the activity is:
- If it is from a reputable third party whom the Union would see as appropriate to be associated with.
- On-mission and/or is what the Union aspires to deliver but lacks the current resource to.
- Provides reasonable overhead recovery.
- The Chief Executive and Financial Controller and President will authorise all such bid applications and requisite budgets.