

## BYE LAW 12 FINANCIAL REGULATION

<b>General Provision</b>	<p>1. The Trustees shall be ultimately responsible for the finances of the Union, and shall be empowered to establish regulations that shall be binding on Union Council, Committees, Clubs, Societies, Officers, Officials and Staff. The Trustees shall have access to all books, records and accounts of any section or part of the Union.</p>
<b>Accounts</b>	<p>2. The Union's financial year shall run from 1st July to 30 June and all bodies of the Union shall maintain accounts for this period.</p> <p>3. The Trustees shall appoint Auditors who shall be Chartered or Incorporated Accountants, and shall not be Officers, members, or employees of the Union.</p> <p>4. All financial transactions shall be recorded in accordance with arrangements agreed with the Auditors</p> <p>5. Audited Accounts, together with the Auditors' Report for each financial year, shall be submitted to the first possible Trustee meeting of the subsequent Academic Year, to the Annual General Meetings and to Sheffield Hallam University's Board of Governors.</p> <p>6. The Auditors may attend the meeting of the Trustees considering the accounts to comment or answer questions.</p>
<b>Standing Orders</b>	<p>7. These Standing Orders shall be read in conjunction with the rest of the Articles of Governance and Bye Laws of the Union and the Financial Regulations. Nothing contained in these Standing Orders may be interpreted so as to conflict with any provision of the Constitution.</p> <p>8. <b>Expenditure within the Approved Budget</b></p> <p>8.1 Budget</p>

8.1.1 Not less than two months before the start of each financial year the Union will prepare a budget in respect of the next financial year. The budget will show the anticipated income and expenditure for Trading and Non Trading areas and identify any borrowing and/or capital expenditure that it is expected that the Union will or is likely to incur during the financial year to which the budget relates.

8.1.2 The Budget shall be ratified by the Board of Trustees and presented for approval to the Sheffield Hallam University's Board of Governors

## 8.2 Virement

8.2.1 Expenditure for any heading in the budget within the Non Trading areas may be increased by the transfer of monies from another heading in that budget with the prior approval of the Trustees, providing that there is no change in the overall level of expenditure for the Non Trading areas, and provided that any grant expressly provided by Sheffield Hallam University's Board of Governors in respect of any activities is only used for the activities for which it is intended

8.2.2 The estimated expenditure for any heading in a budget within the Trading Areas may be increased by the transfer of monies from another heading in the budget, with the prior approval of the Trustees, provided there is no change in the overall level of expenditure

8.3 Prior to any order being placed or to any liability being incurred, a fully authorised, official Union order must be issued.

8.4 Each Budget Controller shall be responsible for all orders raised in his/her area. Official orders in a form approved by the Trustees shall be issued for all work, goods and services to be supplied to the Union.

8.5 All orders shall be authorised by the Budget Controller prior to issue. Before authorising orders, Budget Controllers shall ensure that adequate budgetary provision is available. The CEO must approve orders for non-standard items.

8.6 The same person shall not perform the duties of ordering, receiving goods and certifying the respective invoices for payment. Relevant documents must be retained for audit purposes.

8.7 Budget Controllers are expressly forbidden to make a purchase or obtain a tender from a supplier in which they have financial interests

8.8 Three quotations must be obtained before any contract to purchase, lease or hire goods or services costing in excess of £1000 is considered.

8.9 If it is not possible to obtain three quotations a request must be made in writing to the CEO giving a detailed explanation of why the contract should still be considered

8.10 Any contract relating to the lease and hire of goods or services for a period of more than 12 months must be referred to the CEO who shall obtain approval from the Trustees.

8.11 The Union shall maintain and implement a policy on the appointment of contractors or consultants and tendering. Any project costing in excess of £10,000 shall be considered a "major project" and will be subject in full to the Union's policy on tendering

8.12 A relevant professional advisor shall always be consulted when tendering out major projects

8.13 At least three sealed tenders shall be sought and each potential contractor shall be given equal information to base their tender on

8.14 The President, CEO and professional advisor or their nominees shall be present at the specified opening of all tenders.

**9. Expenditure in Excess of Approved Budget**

9.1 No order may be issued or liability incurred in excess of the approved budget for any expenditure head except by an official requisition or order form signed by both the President or in her/his absence another Sabbatical Trustee, and the CEO or in their absence by the Head of Finance and Central Services

**10. Exceptions:** Standing Orders 8 and 9 shall apply in all cases except:

10.1 Where a contractual obligations exists which has been properly authorised by the appropriate signatories

10.2 Where a binding contractual or statutory obligation exists regardless of initial authorisation

10.3 Where obligations exist in respect of contracts of employment initially approved by the Trustees

10.4 Where goods are purchased for resale or as consumables in the process of sales by Union staff with responsibility for such purchases

11. The Union shall be under no obligation to meet any liability incurred outside the provisions of these standing orders.
12. All income and expenditure of the Union or any body affiliated to or recognised as part of the Union, in accordance with the Union Constitution, shall be controlled and recorded by the Head of Finance and Central Services and her/his staff
13. Any bank or building society account or any other savings account shall be processed, opened, closed and controlled by the Trustees in accordance with the Articles of Governance. No other person shall open, close or control these or any other accounts purporting to be held on behalf of the Union or any of its constituent parts.
14. The cheque signatories shall be as specified in the Finance Regulations
15. One of the External Trustees shall be empowered to act as cheque signatory in the event of a situation arising where there are fewer than two of signatories named in the Regulations for the time being in post.
16. No cheque signatory shall sign a cheque or other order for payment to themselves save that cheque signatories, who are also employees, may authorise round salary payments including their own in accordance with contracts of employment.
17. No payment for any purpose may be made in cash by the Finance Office unless a requisition has been specifically countersigned for cash payment by the President or CEO, or in her/his absence by one of the other cheque signatories.
18. The Head of Finance and Central Services shall not effect payment in respect of any official Union order or requisition for expenditure if:
  - 18.1 The official order or requisition authorising the expenditure is signed by unauthorised persons
  - 18.2 The expenditure is outside the scope of the account to which it is allocated on the official Union requisition

	<p>18.3 The item of expenditure has been specifically rejected by the Trustees</p> <p>19. Expenditure outside the scope of any account shall require authorisation by minute of the Trustees</p> <p>20. In the event of absence or vacancy for a post which carries spending authority, and when urgent authorisation is required, the following may deputise for the authorised signatory:</p> <p>20.1 President for any Sabbatical Trustee</p> <p>20.2 CEO or Head of Finance and Central Services for members of staff</p> <p><b>21. Fixed Assets</b></p> <p>21.1 Fixed Assets shall be defined for the purposes of the Union balance sheet as those items having an anticipated life of three years or more with an initial purchase price of more than £1,000</p> <p>21.2 All such items shall be purchased only with the authority of the Trustees and expenditure capitalised and depreciated according to standard accounting principles.</p> <p>22. These standing orders may only be varied with the approval of the Trustees and shall be reviewed annually.</p>
<p><b>Authority for Expenditure</b></p>	<p><b>23. Authority for Expenditure</b></p> <p>23.1 The designated budget controller may solely approve expenditure up to £1,000 provided that there are sufficient funds in the relevant allocation remaining</p> <p>23.2 Expenditure in excess of £1,000 but less than £5,000 requires the additional approval of the CEO</p> <p>23.3 Expenditure in excess of £5,000 requires the prior approval of the Trustees</p>
<p><b>Insurance</b></p>	<p><b>24. Insurances</b></p> <p>24.1 The Trustees through the CEO of the Union shall be responsible for arranging all insurance as is necessary to protect the Union's interests and negotiate all claims in consultation with other Senior Managers as required.</p>

	<p>24.2 Senior Managers shall promptly notify the CEO of all new risks, which require to be insured, and of any alterations affecting existing risks or insurances</p> <p>24.3 The CEO shall keep and maintain a register of all insurances held by the Union and risks covered thereby and annually provide Senior Managers with a statement of all insurances in force in order that they may be jointly checked and reviewed.</p> <p>24.4 Senior Managers shall immediately notify the CEO in writing of any loss, liability or damage , or of any event likely to lead to a claim. All monies due and received from insurers shall be submitted to the CEO</p> <p>24.5 All employees concerned with the receipt, custody and/or disbursement of monies and property of the Union shall be included in suitable insurance.</p> <p>24.6 Any incident involving personal injury or death occurring on Union premises or otherwise considered to be the responsibility of the Union must be notified to the CEO immediately, adhering to Hallam Union procedure .</p>
<p><b>Internal Control</b></p>	<p>25. The Union shall be required to satisfy the Trustees that a series of internal control procedures are in place to protect against fraud, error or financial mismanagement.</p> <p>26. The Trustees shall require an internal audit to be carried out from time to time, and shall appoint suitable Auditors who shall not be Officers, members or employees of the Union.</p>