



Aberystwyth University Students' Union

Financial Regulations

Any person found to be circumnavigating these Regulations will be subject to disciplinary action.





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1 BANKING ARRANGEMENTS

1.1 Introduction

- 1.1.1 AberSU's banking arrangements shall be decided by the Board of Trustees.
- 1.1.2 All arrangements with AberSU's bankers concerning Students' Union bank accounts, shall be made by the Head of Finance and Operations on behalf of the Trustee Board. No other staff or Member shall under any circumstances open or operate a bank account in the name of AberSU, or one holding itself out to be.
- 1.1.3 The Head of Finance and Operations will be responsible for regular checks, at least weekly, on the balances of all the accounts held by AberSU and to ensure that inter-account transfers are completed where required.
- 1.1.4 The Head of Finance and Operations will be responsible for seeking competitive tenders for all AberSU's bank accounts and shall report to the Board of Trustees.

1.2 Current Account

- 1.2.1 The current account will be held in the name of 'Aberystwyth University Students' Union.
- 1.2.2 The current account will be maintained for the following revenue purposes:
 - a) income collection
 - b) creditor payments
 - c) BACS payments
 - d) payment of standing orders and direct debits
- 1.2.3 Although the balance in the current account should be kept to a minimum, every effort should be made to avoid the account becoming overdrawn.
- 1.2.4 All disbursements from the current account require two signatories.
 - AberSU's Chief Executive Officer
 - Head of Finance and Operations
 - Head of Communications and Engagement
 - Head of People and Wellbeing

1.3 Deposit Account

- 1.3.1 The deposit account will be held in the name of Aberystwyth University Students' Union.
- 1.3.2 The deposit account will be maintained for the purpose of retaining a working balance of moneys for funding disbursements through the current account.





- 1.3.3 The deposit account is an instant access interest bearing account. The deposit account should be set-up, via the bank, to automatically transfer required funds to the current account and to transfer surplus funds from the current account.
- 1.3.4 The only other transactions permitted are transfers from or to other AberSU investment accounts.

1.4 Investment Account

- 1.4.1 The investment account will be held in the name of Aberystwyth University Students' Union.
- 1.4.2 The investment account will be maintained for the purpose of capitalising on interest receivable. The Head of Finance and Operations will review options to capitalise on interest via other investment opportunities annually and make recommendations to the Board of Trustees.
- 1.4.3 The Head of Finance and Operations is responsible for transferring funds to and from the investment account via the deposit account.

1.5 Loans and borrowing

- 1.5.1 AberSU should only need to borrow money in order to facilitate its capital programme. However, there may be occasions when cash flow requirements dictate that AberSU source additional funds which could include a temporary loan / overdraft. Should the Union require additional funding then an approach should be made to the University's Director of Finance before considering commercial bank loans.
- 1.5.2 Only the CEO and Head of Finance and Operations may sign loan applications on behalf of AberSU following approval by Board of Trustees.

1.6 Investment of Surplus Cash

- 1.6.1 Surplus cash funds will be invested with the aim of achieving the best rate of return consistent with the level of risk acceptable to the Board of Trustees.
- 1.6.2 Only the Chief Executive and Head of Finance & Operations have delegated authority to make investments on behalf of the Union:"

2. SALES INVOICES

2.1 Introduction

- 2.1.1 All invoices are to be raised by the Finance Department via the 'Sage 50' accountancy software.
- 2.1.2. In order for AberSU to maximize its cash flow and accurately report on its financial position, it is important that invoices are raised promptly and that there are no delays in the invoice requesting procedure.
- 2.1.3 Managers should ensure that their support staff are aware of the correct procedures and are complying with them.

2.2. Documentation

- 2.2.1. Only Finance staff can raise an invoice. An invoice request must be made via email by the relevant holder, with relevant documentation attached, and normally the customer should complete either a booking form and supply an official order form or order number.





2.3. Cancellation or Amendment of Invoices

- 2.3.1 If an invoice requires amendment or cancellation, please note that:
- a) Only written instructions from the originating member of staff or their manager will be actioned (eg email).
 - b) The reasons for the amendment/cancellation must be stated.
 - c) To avoid errors please quote the relevant invoice number, if known.

2.4. Accounting Procedures

- 2.4.1 Immediately an invoice is raised the value of the invoice, excluding VAT if appropriate, is credited to the appropriate income budget.
- 2.4.2 If payment of an invoice is not forthcoming and the debt is written off, the "loss" will be charged to the same department as the income was originally credited to. For further details please see Finance Regulation 3.7 - Bad & Doubtful Debts.

3. INCOME COLLECTION

3.1. Introduction

- 3.1.1 This note details the requirements over the collection of all income, together with the receipting and banking of income.
- 3.1.2 This Regulation should be read in conjunction with Regulation 5 - Security of Cash & Accountable Documents.
- 3.1.3 The AberSU Finance Department is the only department authorised to collect and bank income for AberSU.

3.2. Receipts

- 3.2.1 There are two types of official receipt:
- a) Generated from a till operated by the AberSU.
 - b) No other form of receipt shall be used.
- 3.2.2 Whichever form of receipt is used the following rules apply:
- a) receipts must be used in strict sequential order
 - b) receipts must not be altered nor must correction fluid be used, if a receipt is spoilt it must be overwritten "CANCELLED"
 - c) income must be receipted immediately it is received
 - d) upon processing the income through the till a receipt must be given to the person paying in. However, where a remittance is received in the post a copy of the invoice stated paid will be emailed to the person.
- 3.2.3 Sumup
- a) daily statements of income is received daily by Email.
 - b) persons using the sumup machine should keep a record of sales using the machine to reconcile to statement upon returning device to finance office.
 - c) Finance to reconcile both and input as per income receipting process 3.4

3.3. Street Income

- 3.3.1 Collection of cash is largely undertaken by the external company who supply the machines and transferred with supporting paperwork to Aber SU.





- 3.3.2 Where collection of cash is undertaken by the SU, wherever possible the collection of cash from coin operated machines will be undertaken by a member or staff from the Finance Department and one other member of staff.
- 3.3.3 The majority of coin operated machines contain meters which record the sales, where such meters exist a reconciliation statement between expected income and actual income must be produced.
- 3.3.4 The reconciliation statement must be signed by both staff collecting the income and a copy of the reconciliation passed to the Head of Finance and Operations at the time of banking.
- 3.3.5 Where there are no check meters both members of staff will count the takings and sign the receipt as correct. At least one member of AberSU staff should be present whilst the takings are collected from this type of machine.

3.4. Income Receipting

- 3.4.1 All income must be receipted immediately it is received.
- 3.4.2 Wherever possible, the staff member responsible for the receipt of income will not be the member of staff responsible for the issue or control of debtors' accounts.
- 3.4.3 When income is being received from a department not operating a till, an Income Receipt Form should be completed and handed into the Finance department (appendix)
- 3.4.4 When income is being received from a department operating a till, a supporting reconciliation statement must be provided to AberSU's finance department.
- 3.4.5 Till rolls, credit / debit card vouchers and Z readings must accompany the reconciliation statement together with any void receipts. The staff member responsible for receipting must ensure that:
 - a) the Z reading numbers are consecutive with the last banking
 - b) that void entries are not excessive in value or number
 - c) there are no trends of under/over banking's or discrepancies in excess of £10, where this is evident, this should be highlighted to the budget holder for appropriate action.
 - d) the figures quoted on the reconciliation statement are supported by the till readings, credit / debit card vouchers and cash received.
- 3.4.6 The member of staff responsible for collecting income will balance the cash etc. received to the receipts issued daily.
- 3.4.7 Where unidentified cash surpluses are discovered these must be receipted and the receipt clearly marked "unexplained cash surplus" and reported to the Head of Finance and Operations.
- 3.4.8 Where cash shortages are discovered they should be reported to the Head of Finance and Operations via email, with supporting documentation, for further investigation. The email, and any investigation documentation must be saved with the income receipt for audit purposes.
- 3.4.9: All losses that cannot be resolved or explained or that exceed £10 should be reported to the CEO.
- 3.4.10 Under no circumstances should the amount banked differ from the receipts and/or the receipts and losses documentation.





3.5. Security

- 3.5.1: A minimal proportion of the Union's income is in the form of cash. A series of controls exist to control cash and ensure its security.
- 3.5.2: Cash should only be transported in accordance with the Union's insurance provisions. If appropriate, the Union should have a chosen security firm for this task. However, it is anticipated that movement of sums over £2,000 will be rare, so can be transported to the bank by two members of staff, one of whom should be the Head of Finance & Operations
- 3.5.3 In summary all income must be held in a safe environment completely separate from any petty cash or other cash holdings.
- 3.5.4 Under no circumstances may departmental income be used for other purposes. For example, to cash cheques for staff, students, or the general public, [or to top-up any float or petty cash.](#)
- 3.5.5 No person may make a payment out of income unless specifically authorised, in writing, by the Head of Finance and Operations
- 3.5.6. Cash Security (moved from its separate section)
- a) All persons responsible for the collection and receipting of income shall have access to a safe in which all cash must be kept.
 - b) All petty cash imprests, floats or income in excess of £50 will be held in a safe.
 - c) Imprests, floats and cash receipts of less than £50 which are held in areas where safes are not available must be held in locked cash boxes. The cash boxes should be deposited in a safe overnight, where this is not possible the cash box should be held under lock and key overnight and the key retained by the person responsible for the money.
 - d) All open cheques or postal orders received in the post shall be crossed immediately "A/C Aberystwyth University Students' Union".
 - e) All income must be banked intact and may not be used for any disbursements unless prior written authority is received from the Head of Finance and Operations.
 - f) The cashing of private cheques for staff, Members or the public is strictly forbidden.
 - g) No unofficial funds are to be held in AberSU's safes.
 - h) Offices where cash is being handled should have access restricted to only authorised personnel.
- 3.5.7 Safe/Cash Box Key Holders
- a) Wherever possible the key to each safe will be the responsibility of one person. Where it is felt that more than one person requires unrestricted access to the cash, a written request for dispensation must be made to the Head of Finance & Operations by the departmental manager.
 - b) It is the departmental manager's responsibility to ensure that only authorised personnel have access to safes and cash boxes. Names of all key holders must be recorded by the departmental manager and the authorised key holder list made available for audit inspection.
- 3.5.8 Accountable Documents
- Accountable documents including cheques should be afforded the same level of security as cash i.e. they should be held under lock and key at all times.





3.6. Other Income

- 3.6.1 For all other ad hoc income and charges, which are not paid in cash/cheque at the time of provision, an official invoice should be raised.
- 3.6.2 Under no circumstances should letters or any other format of sales invoice request forms be used other than an official invoice drawn by AberSU's finance department.
- 3.6.3 All staff responsible for the collection of income should ensure that they are familiar with Regulation 2 - Sales Invoices.

3.7 Bad and doubtful debts

- 3.7.1. The Head of Finance & Operations will keep a list of bad debtors, which is available on request, and which will be reported upon quarterly to the Trustees.
- 3.7.2. It is the responsibility of the Finance team to follow up unpaid invoices on a monthly basis. Standard letters will be issued to debtors when an invoice is 30 days and 60 days overdue.
- 3.7.3 Budget leads are advised to take an active role in ensuring invoices are settled promptly and in full. If an invoice is not paid within 3 months, the Head of Finance & Operations will use their discretion whether to escalate and/or consider legal action.

3.8 Cash Imprests

3.8.1 Introduction

This procedure note details AberSU's accounting requirements for petty cash imprest accounts and should be read and understood by all persons responsible for petty cash imprests.

3.8.2. Security

- 3.8.2.1 All petty cash imprests of £50 and over must be kept in a locked safe. The key to the safe should be held by the imprest holder.
- 3.8.2.2 Under the circumstances described in paragraph 3.9.2.1 above, the senior staff member will designate the holder of the safe key.
- 3.8.2.3 Petty cash imprests of under £50, which are held in areas where safes are not available, must be held in locked cash boxes to which only the imprest holder or designated deputy has access. Overnight and at weekends the cash box must be locked away securely in an area to which only the imprest holder has access.

3.8.3 Objective

- 3.8.3.1 Petty cash imprests are provided for:
 - 1) Purchasing minor items of a non-recurring nature.
 - 2) Purchasing items where a credit account is not available.
 - 3) Reimbursement of minor expenses.
- 3.8.3.2 The following types of expenditure are expressly forbidden:
 - 1) Payment of wages, call-out payments, overtime payments, staff expenses or other ad-hoc remuneration.
 - 2) Gifts to members of staff or ex-members of staff.
 - 3) Gifts, gratuities or donations of any nature to external bodies.
 - 4) Payments for non-business use of goods/services.
 - 5) Personal expenditure, loans to Sabbatical Trustees / employees or Members, or for cashing personal cheques.





3.8.3.3 Imprest values should be kept to a minimum and should be reimbursed on a weekly basis.

3.8.4 Petty Cash Purchases

3.8.4.1 All purchases from petty cash must be supported by an official receipt (detailing VAT paid if applicable) from the supplier of the goods or services.

3.8.4.2 It is important that the receipt specifies the items purchased and price paid.

3.8.4.3 If till receipts do not give the information required in 3.9.4.2 above a VAT receipt should be requested which should provide the appropriate details.

3.8.5 Petty Cash Sheet

3.8.5.1 All disbursements from petty cash must be entered on the petty cash sheet immediately they are incurred.

3.8.5.2 The date and amount must be specified, and the type of expenditure detailed.

3.8.5.3 When totalling the Petty Cash sheet prior to reimbursement the following steps must be taken:

a) The cash paid column must be totalled.

b) The unspent petty cash must be counted and entered on the Petty Cash sheet

c) The cash paid total must be added to the Balance C/Fwd total and the grand sum entered at the base of the cash paid column.

d) Once completed the petty cash book should be signed and dated by the imprest holder.

3.8.5.4 If the "grand sum" differs from the total value of the petty cash float it will mean that there is either an error in the calculations or there is an actual cash loss/gain.

3.8.5.5 If paragraph 3.9.5.4 applies recheck all the calculations, if the error cannot be found deficiencies will need to be recorded, refer to point 3.4.9

3.8.5.6 Once the Losses Form has been completed and authorised it should be submitted as part of the next petty cash reimbursement (please complete a petty cash Financial Request Form and attach the Losses Form). The Petty Cash float will then be adjusted back to its original level.

3.8.5.7 Where unidentified cash surpluses are discovered these must be receipted and the receipt clearly marked "unexplained P/C cash surplus".

3.8.6. Petty Cash Imprest Reimbursement

3.8.6.1 The AberSU reimburses petty cash by Cash.

3.8.6.2 Once an imprest holder has completed the Petty Cash Book, in accordance with paragraph 3.9.5 above, the petty Cash book and all supporting vouchers must be presented to AberSU's Finance Department for reimbursement.

3.8.6.3 The Financial Request Forms will be checked and agreed and if in order the float will be reimbursed in cash.

3.8.7 Subsidiary Imprests

3.8.7.1 Under no circumstances can subsidiary imprests be set up without the express authorisation of the Head of Finance and Operations.

3.8.7.2 Subsidiary imprest holders are subject to the same financial procedures and controls as main imprest holders.





3.9 Advances from Petty Cash

- 3.9.1 Generally petty cash is used to reimburse staff / Sabbatical Trustees and Members for AberSU expenditure incurred by them. However, in some circumstances the imprest holder may sanction an advance from petty cash in order to avoid the employee having to fund the purchase initially.
- 3.9.2 If an advance is issued the imprest holder must obtain a receipt from the officer receiving the cash
- 3.9.3 It is the imprest holders responsibility to ensure that the advance has been authorised by the budget manager prior to releasing any cash.
- 3.9.4 Advances should never be made in advance of need and wherever possible should be made on the day of purchase.
- 3.9.5 The person receiving the advance should be asked to return supporting receipts and any unspent cash immediately following the purchase.
Please note that the entire advance is owed by the advancee until the above is completed.
- 3.9.6 It is the responsibility of the imprest holder to ensure that paragraph 3.10.5 is complied with and that there are no delays in receiving the supporting documentation.
- 3.9.7 Advances should be treated as cash when reconciling the imprest for reimbursement. Under no circumstances should an imprest holder request reimbursement for an advance.

3.10 Management Control

- 3.10.1 Although the imprest holder does have to reconcile the imprest prior to reimbursement it is advisable to regularly check that the imprest is in balance. For larger imprests there should be a bi-weekly reconciliation.
- 3.10.2 In addition all imprests must be periodically reconciled to the cash balance by a person independent of the paying function.
- 3.10.3 It is the responsibility of the imprest holder's manager to ensure that the checks detailed in this Finance Regulation are carried out.

4. PROCEDURE FOR CONTROL OF EXPENDITURE

- 4.1** Expenditure shall only be made against an approved budget, by the nominated budget holder.
- 4.2** Any letter regarding the price or ordering of goods must include the following at the bottom, "Nothing in this letter constitutes a contract unless accompanied by an official order number".
- 4.3** An official Purchase Order Number must be given to every order, which must be written down along with the order and its value. This must be undertaken for all goods and services to be purchased from outside the Union, including the University. Nothing should be ordered without a Purchase Order Number being assigned. The Purchase Orders should be authorised by the Budget Holder/Department Head.
- 4.4** Purchase Order Numbers shall be sequential and available electronically from the SU Finance System





- 4.4.1 Exceptions to this rule, which will be covered by other procedures are:
- Petty cash purchases.
 - Public utility services and periodic payments, e.g. telephones, rent.
 - Goods or services supplied under contract, e.g. maintenance agreements.
- 4.4.2 The electronic order should be sent to the Finance team and a copy retained by the appropriate budget holder.
- 4.4.3 The following must be included on the purchase order:
- Date of order
 - A price from the supplier, including details of any VAT
 - The supplier's details
 - The purchasing department
 - The person ordering the goods/services
 - The budget heading and code to be billed
- 4.4.4 The appropriate budget holder may authorise expenditure up to the limits set out below providing it has been included in the budget approved by Trustees. Any order above these limits must be authorised by the Chief Executive or the individual's line manager (subject to their own authorisation limit).
- All orders above £25,000 need to be presented to the Trustee board for approval if not already included in the Union budget.

	Good for Resale / Merch	Other Goods / Services
Chief Executive	£5,000	£25,000
Head of Finance & Operations	N/A	£5,000
Other Head of Dept	N/A	£2,500
Coordinators	N/A	£1,000

- 4.4.5 For items being paid from sports clubs' or societies' own accounts, the amount of expenditure should not exceed amount in the account. These payments will be authorised by the Societies Coordinator or Sports Coordinator as appropriate.
- 4.4.6 If an item of expenditure is above a budget holder's authority level but that item is specifically included in the authorised budgets then the amount in the budget approved by the trustee board supersedes the set authorisation limits. This authority is delegated from the trustee board to the departmental budget holder.
- 4.4.7 Any request for which no budget funds are available must be referred to the Chief Executive who may refer it to the Board of Trustees.
- 4.4.8 Goods or services ordered by telephone still require a Purchase Order Number; the order should be completed as set out above and electronically submitted to the Finance team.
- 4.4.9 On receipt of the goods/services, the supplier will issue a VAT invoice, which must be passed to the Finance team to enable any VAT to be reclaimed. As a rule, the Union does not make payments by cheque.
- 4.4.10 Any contracts for services of one year and under may be approved by the Senior Leadership Team. Any contracts of longer than one year must be approved by the Board of Trustees if not governed by tender processes.
- 4.5 Signatures are a vital element in the system of accountability. They are not merely an acknowledgement, but a personal commitment that the order has been made for the proper furtherance of departmental or Union objectives. Failure to comply with





- financial procedures is a disciplinary offence. Falsification of signatures will be viewed as gross misconduct.
- 4.6 The proper control and monitoring of goods received is an essential part of financial control.
- 4.6.1 Goods/services received must be promptly checked to ensure that the complete order has been received. The order form should be attached to the delivery note, certified, and dated by the person receiving the goods. The appropriate budget holder will match these documents to the supplier's invoice and approve the invoice for payment, including adding the nominal code and department to be charged. All paperwork should be passed to the relevant person in time to enable supplier's credit terms, including settlement discounts, to be honoured.
- 4.6.2 For part deliveries, the order form should be copied with the goods received clearly marked. This should be certified before passing to the Finance team. If goods have been invoiced but not received or returned as faulty, a request for a credit note must be completed, authorised and sent to the supplier. A copy should be attached to any documentation sent to the Finance team, who will hold the respective invoice until a credit note is received. On delivery of the final part of the order, the original form should be certified and sent to the Finance team.
- 4.7 The Finance team will not process invoices in the following circumstances:
- Where documentation is incomplete
 - Where there is a significant difference between invoice and order value (5% or £100, whichever is lower)
 - Where no order exists
 - Where no nominal code has been included on approval Budget holders must take responsibility for dealing with such problems. Failure to do so may result in supplies being stopped.
- 4.8 Any personal or family interest, which may impinge or might reasonably be deemed by others to impinge upon impartiality in any matter relating to purchasing duties must be declared:
- 4.8.1 To the Senior Leadership Team
- 4.8.2 To the Chair or Vice Chair of Trustee Board if it concerns the Senior Leadership Team.
- 4.9 Purchases that have a life expectancy of, and will provide benefit to the Union for, more than one financial period will be treated as capital items rather than written off to income and expenditure in the year the expenditure is incurred.
- 4.10 It is often difficult to decide whether expenditure on improvements and repairs should be capitalised as part of the original asset or as a separate category of fixed asset. The following points will be considered in determining whether to capitalise and depreciate accordingly any improvements or repairs:
- Will the expenditure significantly prolong the fixed asset's useful life beyond that conferred by normal repair and maintenance?
 - Will the expenditure increase its capital value?
 - Will the expenditure provide a substantial improvement in the quality of output or a reduction in the previously assessed operated losses?
 - Will the expenditure increase the market value of the asset?
- 4.11 The Income and Expenditure account of the Union suffers a charge for the wearing out of all assets that last more than one financial period (depreciation). All capital expenditure will normally be depreciated according to the following rates:





Type of expenditure	% per annum
Building improvements	N/A
Office fixtures and fittings	20
Office Equipment	20
Computers and software	33.3
Sound Equipment	33.3

- 4.12 All depreciation will be based on straight line basis
- 4.13 The Head of Finance & Operations will be responsible for deciding whether an item of expenditure should be treated as capital expenditure or not, and how it should be depreciated if appropriate.
- 4.14 All capital items will be entered onto the Union's Fixed Asset Register, which shall be maintained by the Head of Finance & Operations.
- 4.14.1 The Fixed Asset Register will record:
- Asset number
 - Date of purchase
 - Cost
 - Depreciation rate applied
 - Residual value
 - Responsible staff member
- 4.14.2 If it is necessary to dispose of an item that appears on the Fixed Asset Register, the Finance team should be notified so that an amendment can be made to the fixed asset register.
- 4.14.3 The fixed asset register will be maintained by the Head of Finance & Operations and updated quarterly to fit with quarterly financial reporting dates.
- 4.14.4 Each item on the register will be the responsibility of a Union manager, who shall be held accountable for the item's security.
- 4.15 The Head of Finance & Operations will conduct an annual review of equipment against the Fixed Asset Register by the end of May each year. Any significant variations in the value of assets recorded, other than through depreciation or approved purchases, should be reported to Trustee Board
- 4.16 Sale of Assets & Obsolete Equipment
- 4.16.1 No asset of the Union may be sold or disposed of without the authority of the Chief Executive. The Head of Finance & Operations must be notified of all disposals so the items can be removed from the fixed asset register.
- 4.16.2 Any income received for the sale or disposal of assets must be recorded in accordance with these procedures section 3.1.

5.0 MANAGEMENT of CAPITAL RESOURCES

5.1 Introduction

- 5.1.1 The Capital Programme is the focus for AberSU's investments in capital (fixed) assets. The capital resources required to fund the programme will be available from internally generated sources of funds.





5.2 The Capital Programme

5.2.1 The Capital Programme will consist of four elements:-

- 1) Major Projects. (£5K plus)
- 2) Minor Building Works (up to £5K)
- 3) Equipment Replacement Programme
- 4) Information Technology Projects (including replacements)

5.3. Capital Programme Approval

5.3.1 The Capital Programme is an integral part of AberSU's financial strategy and will be approved by the Board of Trustees.

5.4. Responsibility for Capital Programme

5.4.1 The overall responsibility for the management of the Capital Programme will rest with Board of Trustees who will delegate responsibility to [departmental](#) managers for each element of the programme, depending on the capital expenditure being reviewed.

5.4.2 It is the responsibility of project managers to ensure that their scheme is completed satisfactorily, on time and to budget.

5.4.3 It is the responsibility of the Head of Finance and Operations to ensure that the overall Capital Programme does not exceed the available resources.

5.5. Business Case Process

5.5.1 The Capital Programme will evolve through AberSU's planning cycle normally using a "bottom-up" approach, which sees the relevant AberSU department as the original source of demand for capital investment.

5.5.2 The information required for each capital proposal will be dictated by the scale of the investment.

Value Replacement New Scheme £1,000 to £5,000 Statement of Need
£5K to £50K Statement of Need Outline Business Case
£50K+ Full Business Case

5.5.3 The capital investment proposal must contain as a minimum:

- 1) Reason for / objective of the investment / strategic context.
- 2) Description of scheme / options
- 3) Preferred option (if applicable)
- 4) Estimated scale of investment required (total capital costs of the scheme - inc. VAT & fees)
- 5) Benefits of the scheme i.e. to students or to AberSU (e.g. ongoing revenue savings)
- 6) Estimated revenue consequences of scheme.
- 7) Funding source of (6) above.

5.5.4 All schemes selected and approved by the Board of Trustees for progress beyond this stage will be allocated a place in the next or future year's capital programme taking account of the available resources and the scheme's relative ranking.

5.6 Capital Investment Appraisal

5.6.1 All proposals for capital projects will be considered for a formal investment appraisal. The investment appraisal will form the basis of the prioritisation of capital bids within AberSU.

5.7 Revenue Consequences of Capital Schemes

5.7.1 The revenue consequences of all schemes must be evaluated at the earliest possible opportunity and a source of funding identified.





5.7.2 No scheme can be included in the Capital Programme until the funding source for the revenue consequences has been agreed with the Head of Finance and Operations.

5.8 Variations to Approved Capital Expenditure Plans

5.8.1 There is a practical need to build into the management of capital arrangements a flexibility to cope with the inevitable changes that occur through the life of a capital scheme.

5.8.2 It is also reasonable to assume that available resources may change during the period of a programme.

5.8.3 In order to be able to respond to these changes effectively authority to vary the approved capital programme will need to be vested at an operational level. This authority will be limited as follows:- lesser of:

- CEO 10% or £10K New schemes or variations
- Project Managers 5% or £2.5K Variations only

5.8.4 All variations to the approved capital spend must be reported (prior to commitment) to the Head of Finance and Operations for inclusion in the next report to Board of Trustees.

5.8.5 Any scheme or project which by the addition of a variation would vary, by 10% or more from its original funding approval must be referred back to Board of Trustees for re-approval. No commitment of expenditure can be made until the Board of Trustees has approved the revised scheme total.

5.9. Monitoring of Capital Scheme Progress

5.9.1 The point of reference for the Capital Programme within the Finance Department will be the Head of Finance and Operations who will co-ordinate the monitoring and reporting requirements.

5.10. Capital Programme Reporting

5.10.1 The Capital Programme will be the subject of a report to Board of Trustees at least quarterly throughout the year The report will include:

- 1) Approved programme variations since last report.
- 2) Spend to date measured against approved allocation by scheme.
- 3) Anticipated expenditure to end of financial year.

5.11 Definition of Capital Expenditure

5.11.1 The capitalisation limit is expenditure of £5,000 or more on:

1) Initial Revenue Equipment costs. At the discretion of the Head of Finance and Operations revenue equipment items which collectively form part of the initial equipping and set-up costs of a new building scheme may be capitalised (the collective asset will be liable to depreciation and will have a standard life of ten years).

2) Any external professional or legal fees connected with the scheme should be included in the capitalised cost of projects.

3) Expenditure on maintaining capital assets in effective working order, or in good repair is charged to revenue irrespective of the cost.

4) Expenditure on renovation or upgrading may be capitalised where the work has enhanced the value of the asset in exceptional circumstances.





6. PROCEDURE FOR CONTROL OF STOCK

- 6.1. All stock** will be the responsibility of the appropriate budget holder, who will ensure that stock is secure, accounted for, stored safely and is rotated appropriately. The appropriate budget holders will also ensure that stock levels are appropriate for the time of year and that agreed minimum levels of stock are held at all times.
- 6.2 Merchandise stock** should be counted and reconciled with Sage at the end of each month. This should be the responsibility of with support from the Head of Finance & Operations.
- 6.3 Any other stock** will be counted at the end of the financial year.
- 6.4 Stock 'write-offs'** should occur rarely, as systems will be in place to rotate stock and ensure that orders reflect demand. However, on occasion it will be necessary to 'write-off' stock, due to perishable goods passing their sell-by date or stock being damaged. The following procedure will apply to all stock write-offs:
 - 6.4.1 The appropriate budget holder must make the Head of Finance & Operations aware of all stock write-offs and investigate the cause of the write-off.
 - 6.4.2 Only an appropriate budget holder or the Head of Finance & Operations may authorise any write-off within the approved delegated budget expenditure limits

7. USE OF ASSETS AND PURCHASES BY STAFF

7.1. Use of AberSU' Assets by Staff

- 7.1.1 Unless authority has been delegated under this Finance Regulation no asset of AberSU may be used by staff members or lent to any other persons connected to staff without first obtaining the authority of the Chief Executive.
- 7.1.2 Where authority is given, the request and affirmation must be documented for future reference.

7.2. Purchases of AberSU' Stock by Staff

- 7.2.1 Unless authority has been delegated under this Finance Regulation no staff member or persons connected to staff members may purchase AberSU' stock at reduced prices from point of sale without first obtaining the authority of the Chief Executive.
- 7.2.2 Where authority is given, the request and affirmation must be documented for future reference.

