

University of Limerick Students Union

Bye Law 6: Finance

This Bye Law deals with the finances of the Company known as University of Limerick Students Union, and includes the development of the budget, financial procedures, accounts, and financial reporting.

1. The Budget

- a. Each Company department shall submit an estimate of expenditure for the following academic year by the end of June in each year.
- b. Student Council will be consulted before the end of semester two on the development of the budget for the following academic year.
- c. The Board of Directors shall set a provisional budget for the coming academic year based upon:
 - i. Company Strategic Goals
 - ii. Grants allocated for current and previous term of office.
 - iii. Audited expenditure for previous term of office
 - iv. Estimate of expenditure for coming term of office.
- d. The Senior Management Team shall consider all estimates in comparison with the Companies' estimated income for the coming year and shall formulate the budget for the Company.
- e. The Senior Management Team are required to submit the budget to the Board of Directors for approval.
- f. Should the Board of Directors reject a budget, the Senior Management Team shall revise the Budget and shall resubmit to the Board of Directors within two weeks.
- g. Based on the HEA recommendations, the University sets the overall level of subvention and capitation, the Senior Management team shall negotiate this at the University Finance Committee and report the allocation to the Board of Directors.
- h. In the autumn semester, the Senior Management Team shall formally allocate the finances of the Company to all the departments in accordance with the Budget.
- i. The Senior Management Team may amend the budget subject to ratification from the Board of Directors and Student Council will be informed of any amendments.

- j. No resolution (ordinary or special) or proposal of the Board of Directors or Student Council shall have effect unless the budget heading from which the expenditure is to be taken is stated and according to the Senior Management Team there remain sufficient funds to meet such expenditure.
- k. The Senior Management Team shall not, during any given academic year, authorise recurrent expenditure of an overrun more than 5 per cent of income without Board of Director's approval.
- l. Each year the Board of Directors shall agree a sum from the total capitation fee to be retained as an accumulating reserve to meet unforeseen contingencies. This reserve shall only be used as collateral towards the Companies' development. This process would be in line with the Reserves Policy of the Company.
- m. A contribution from Companies' income streams shall be credited to the reserves to maintain their real value.
- n. Only monies sourced from non-capitation income streams may be used for any charitable, civic or investment purpose.

2. Financial Procedures

- a. The Board of Directors shall be responsible for the allocation and control of all Companies' funds subject to this Constitution.
- b. All EFT's and payments shall be reviewed, processed, and accounted for in advance of payment (in line with the internal control procedures).
- c. The senior management personnel shall be responsible for the handling of all monies within the Company (in line with the internal control procedures).
- d. The Board of Directors shall supply written authorisation for any recurrent, capital, or contractual expenditure above €3000 for any of the Company's activities to the senior management personnel to ensure that due regard is given to Companies' cash flow.
- e. The Board of Directors through the Senior Management shall incur contractual obligations on behalf of the Company in pursuance of the aims and objectives of the Company policy.
- f. The senior management personnel shall be jointly responsible with the Board of Director's for drawing attention to adverse fiscal trends.

- g. The senior management personnel shall be responsible for ensuring there are robust financial procedures available in a manual. Training on the relevant procedures must be provided for incoming staff and it is the senior management's duty to enforce the financial procedures and report continuing breaches of financial procedures to the Board of Directors.
- h. No order shall be placed for goods and services unless accompanied by a Purchase Order Number and following the purchase order procedure set down by senior management. The Company shall reserve the right not to pay for goods or services unless ordered officially in which case payment would be the responsibility of the individual placing the order.
- i. The accounts of the Company shall be audited by a qualified external auditor at the end of each financial year in advance of its annual ARD and presented at the AGM.
- j. The Company accepts no liability for overdrafts or debts incurred by Clubs, Societies, or individuals connected with or recognised by the Company.

3. Financial accounts and reporting

- a. The Senior Management Team shall be responsible for the presentation of annual audited accounts relating to the Companies activities.
 - b. These shall consist of, as a minimum, a Director's Report (including a statement of the Directors Responsibilities), a profit and loss account, a balance sheet and supporting notes to the accounts as well as comparative figures from previous session's accounts. All the above will be in compliance with the presentation of Financial Statements under FRS 102
 - c. The accounts shall be drawn up to the 30th of September each year.
 - d. The Board of Directors shall receive regular management accounts and financial statements from the senior management personnel.
 - e. Where financial reports are being presented to Board of Directors, such as Management accounts, Annual Accounts and associated notes, accounts shall be sent for inspection two university days before the meeting or posted on the website for the Board Meeting to ensure proper opportunity to have clarification sought. Accounts shall be stated as part of the agenda as a separate item of business.
3. See Bye Law 1: Rights, Decision-making and Definitions for clarification on the term 'Senior Management Personnel'.