

Imperial College Union
Designated Reserves
*A paper by the Deputy President (Finance & Services) &
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Background

1. Capital Expenditure Plans (CEPs) have existed for over 20 years
2. They are a way for clubs, societies and projects (CSPs) to save up for large expenditure items over many years
3. The Union contributes to CEPs from subvention money, along with the CSPs

Issues to address

1. CEPs are financially unsustainable and morally questionable, with few CSPs benefiting at the expense of the majority
2. They are also complex and difficult to administer and access for CSPs
3. In order to comply with regulations regarding our soon-to-be charity status, we need to designate what any large sums of money are for
4. CSPs should have a simple and accessible way to save money long-term

Proposal

It is proposed that:

1. We stop providing CEPs for CSPs, while honoring any existing CEPs
2. We create a new way for CSPs to save long-term in the way of designated reserves (see the Appendix for details), taking into account SORP accounting procedures

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Designated Reserves - Appendix

All Clubs, Societies & Projects wishing to purchase large expenditure items, which otherwise would not be feasible to purchase during one financial year, may use a designated reserve upon approval by CSB.

The designated reserve:

- Shall have an assigned funding code and activity codes specific to the designated purchase;
- Shall only be allowed to be spent on the designated purchase;
- Shall be required to be approved by the DPFS prior to purchase in order to check it will be spent on the designated purchase;
- Shall roll over each financial year, until spent. At such time, the reserve will close and any left-over funds will be transferred to SGI;
- May not under any circumstances receive transferred funds from Subvention, IC Trust, Harlington and Faculty Grant.