

Proposal to raise minimum Management Group Claim  
DPCS (James Cox) – 28/10/2016

**Decisions Required**

- Increase cap of claim value before Management Group Approval is required
- Agree on acceptable cap increase

**Context**

Currently:

When a club submits a claim of <£20, the club authorisers can approve expenditure to go directly to ICU Finance to be paid.

Claim by student (<£20) -> Approved by Club Chair -> ICU Finance

When a club submits a claim of >£20, it has to be approved at management group level

Claim by student (£20-£1000) -> Approved by Club -> Approved by Management Group -> ICU Finance

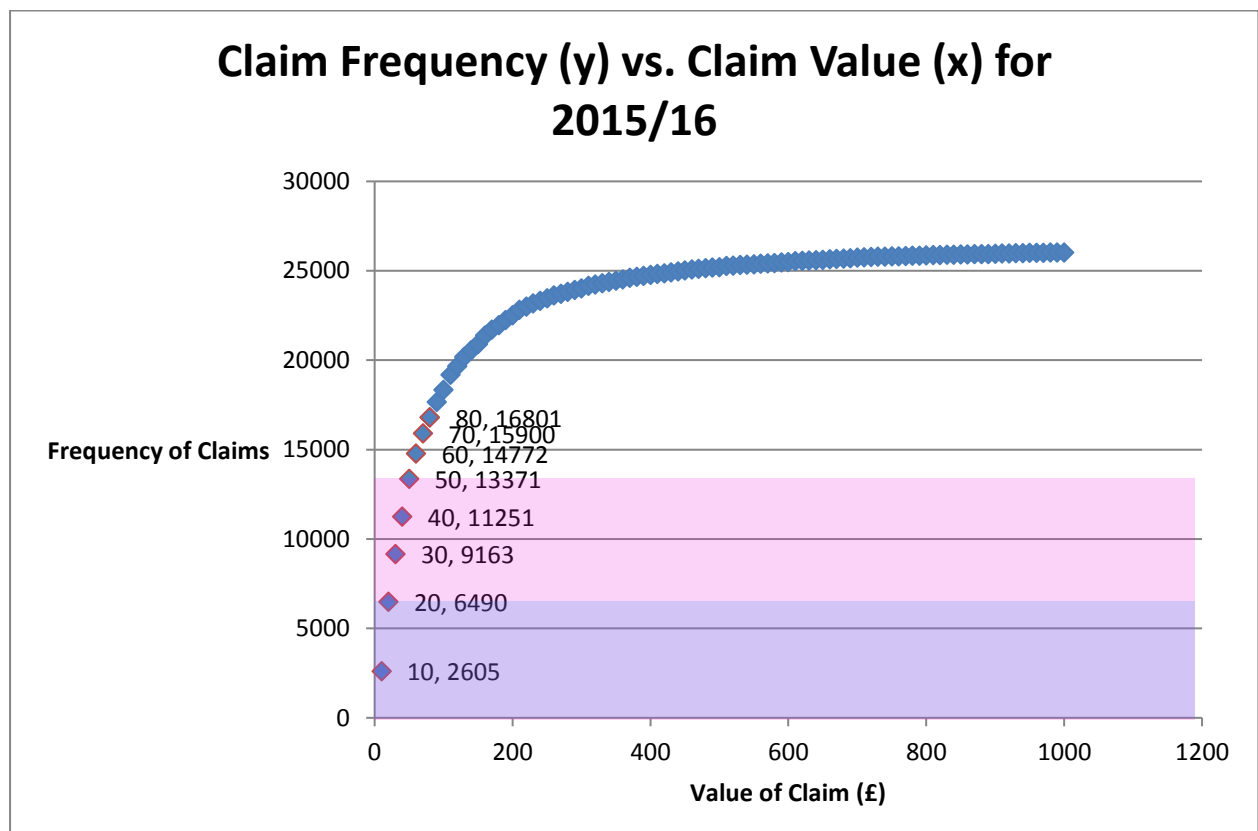


Figure 1: Graph of Claim Frequency vs. Claim Value, claims are concatenated into buckets of £10 and represent all management groups in the 2015/16 period

**Benefits of change:**

- The group of ~20 Management Group authorisers, who volunteer their time for free, will have decreased administrative commitments.
  - o Changing the cap to £50 will decrease the number of small claims processed by volunteers by ~7000. In essence, MG authorisers will have to authorise ~½ of total claims rather than ~¾.

- The members of the union will have a decreased lag time for relatively small claims
  - o It was mentioned at CSP Finance that some clubs breakdown big claims into small chunks so they don't have to wait for it to pass to MG level.
  - o The organisation pays bank fees relating to the number of transactions, raising the cap would change the culture surrounding claim chunks and decrease total costs (however minimal they may be)

Potential negative considerations

- Decreasing the number of authorisers for expenditure may increase business risk. However, I argue that the increase is small compared to the benefit of streamlining the claims process. Indeed, ICU Finance sees all claims regardless of the process. Secondly, club chairs who approve expenditure have already signed financial responsibility forms and have training in club expenditure.

**Recommendations**

- Increase cap of minimum claim value before Management Group consideration to £50

Appendix

