

Standard Operating Procedures

New Supplier Set Up

Key Principles

- Value for money (VFM, i.e. the most favourable balance of cost, efficiency and quality) is the key principle underpinning all Imperial College Union purchasing decisions.
- New suppliers where goods and services are over the value of £5,000 per annum will have proved VFM by either already being on the Imperial College London approved supplier list or through a tender process¹
- Suppliers providing goods and services that are paid for using a Union credit card would be included in this procedure
- Any new supplier will be set up in accordance with Imperial College Union requirements as stated in its Financial Procedures
- The approval of suppliers will be done so by the Licensed Trade & Venues Manager and Retail Manager for their respective areas²
- A Declaration of Interest (DOI) affirmation must be ticked on eActivities during set up to state that there is no conflict of interest with the supplier. Any conflicts of interest must be declared to the Managing Director, Head of Finance & Resources and the Deputy President of Finance & Services in order for the supplier to be approved³
- Supplier agreements where a signed contract/credit form is required will be done by the⁴:
 - Deputy President of Finance & Services
 - Union President
 - Managing Director

Standard new supplier process

See attached process map

Exceptions

- Exceptions are not expected to be common and can only be authorised by a member of the Strategic Managers Group
- In situations where the Licensed Trade Manager & Venues Manger or the Retail Manager submit a request for a new supplier the request will be authorised/disapproved by the Head of Commercial

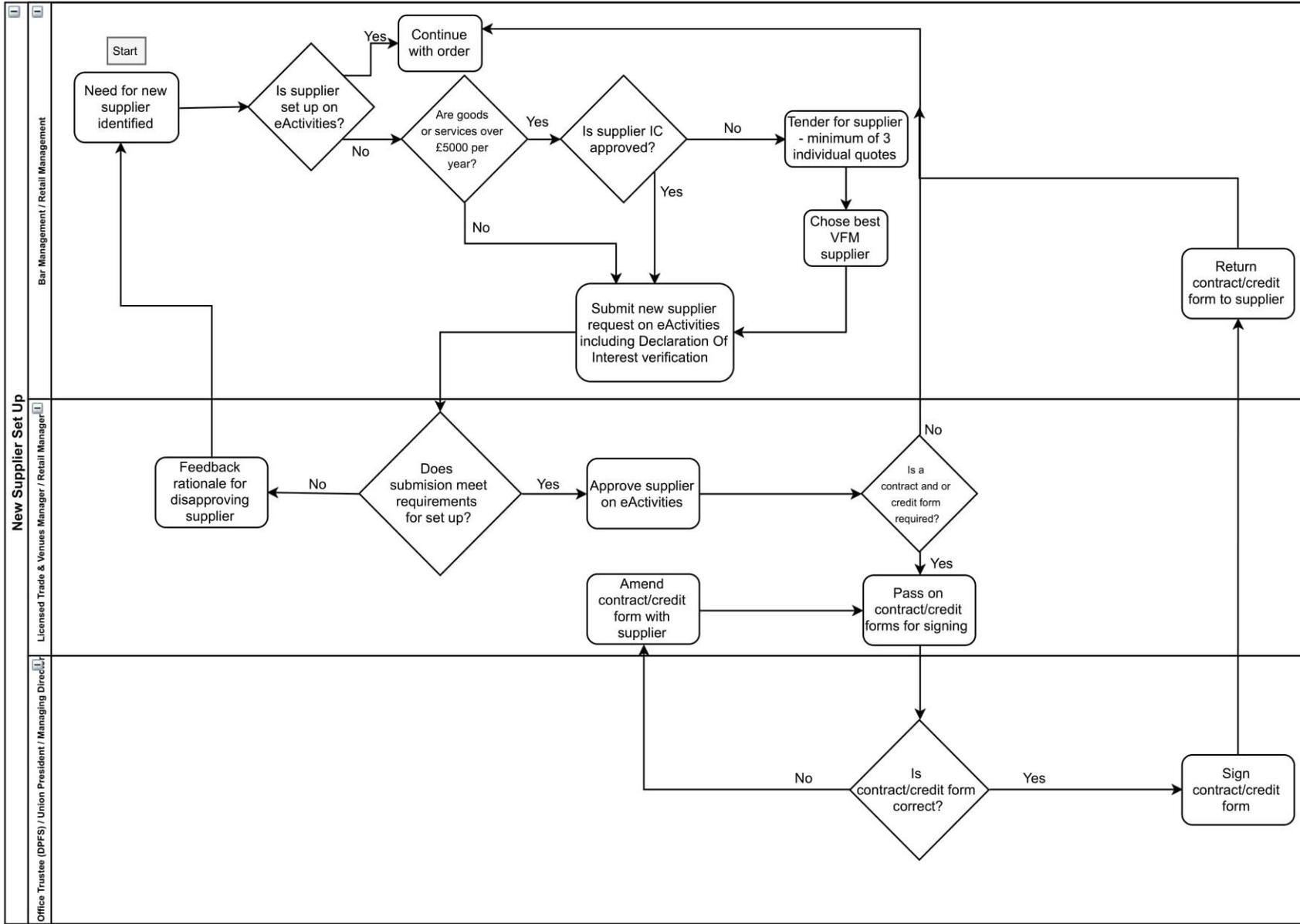
¹ Recommendation: £5,000 as stated in the Financial Procedures Manual appears to be of too high a threshold for where the proof of value for money should be documented. This figure should be reviewed so that a suitable level can be found for both Licensed Trade and Retail suppliers

² Recommendation: A request has already been made by the Union's Finance Manager to have eActivities adapted to follow this procedure

³ Recommendation: A request has already been made by the Union's Finance Manager to have eActivities adapted to follow this procedure

⁴ Recommendation: The nomination of those authorised to sign contracts and/or credit agreements is not currently in the Union's Financial Procedures Manual and therefore should be added. Only contracts that extend beyond the current financial year are mentioned with the DPFS, Union President jointly with the Managing Director being nominated to do so

- The Managing Director in consultation with the Head of Finance & Resources may agree in advance the award of a tender other than those offering the lowest price. Any such decision must be disclosed at the next Finance and Risk meeting



Ordering Goods for Resale

Key principles

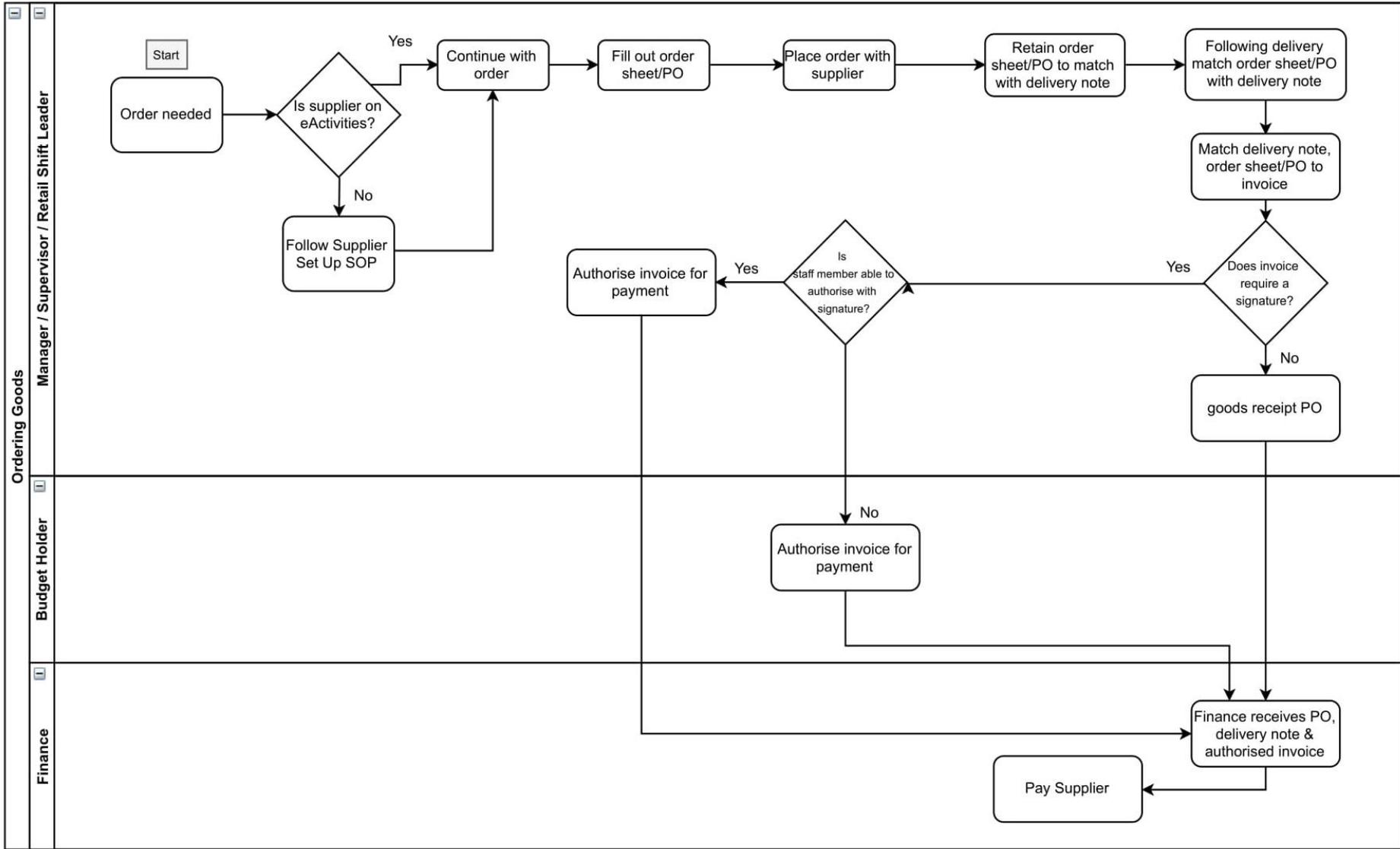
- Suppliers already approved and set up on eActivities should be used first as they have agreed as showing value for money
- Those suppliers who Imperial College Union have a contract in place with should always be used whilst within the contract period
- Goods should be ordered by the relevant Manager, Supervisor or Retail Shift Leader according to their area of work/outlet. Only approved products which have been agreed as part of contractual obligations or deemed suitable by the Licensed Trade & Venues Manager and the Retail Manager should be purchased for their respective areas
- A sequentially numbered Order Sheet/Purchase Order must be completed for each order
- Managers/Supervisors/Retail Shift Leaders placing orders should not be the same as those checking and goods receiving the order at time of delivery

Standard ordering goods for resale process

See attached process map

Exceptions

- If an Order Sheet/Purchase Order cannot be completed for whatever reason the Licensed Trade & Venues Manager or Retail Manager can authorise the ordering of goods in an emergency situation for their respective areas
- On occasion the checking, receiving and signing for of goods at the time of delivery may be done by the person who placed the order. This should only be due to operational limitations



Receipt of Goods

Key principles

- Segregation of duties where possible (i.e. the person receiving the order will be different from the person that placed the order)
- Goods will be rejected if not at the correct temperature, not ordered in the first place or defective in any way

Standard receipt of goods process

See attached process map

Exceptions

- In smaller outlets with fewer staff it may not always be possible to segregate duties, meaning the person that ordered the goods may be the person that receives the goods and goods receipts them in the epos system. In this instance, periodic spot checks will be carried out by the Licensed Trade & Venue Manager and Retail Manager for their respective outlets
- Currently, h-bar does not goods receipt within the epos system⁵

⁵ Recommendation: h-bar should be on the same epos as other Union commercial outlets. Conversations with college to put the outlet on our epos should be held to enable consistency

Wastage

Key principles

- All goods that are part of stock and not sold or stored must be recorded as wastage
- Wastage levels will be monitored and anything above the wastage threshold will be investigated by the Licensed Trade & Venues Manager and the Retail Manager for their respective areas⁶

Standard wastage process

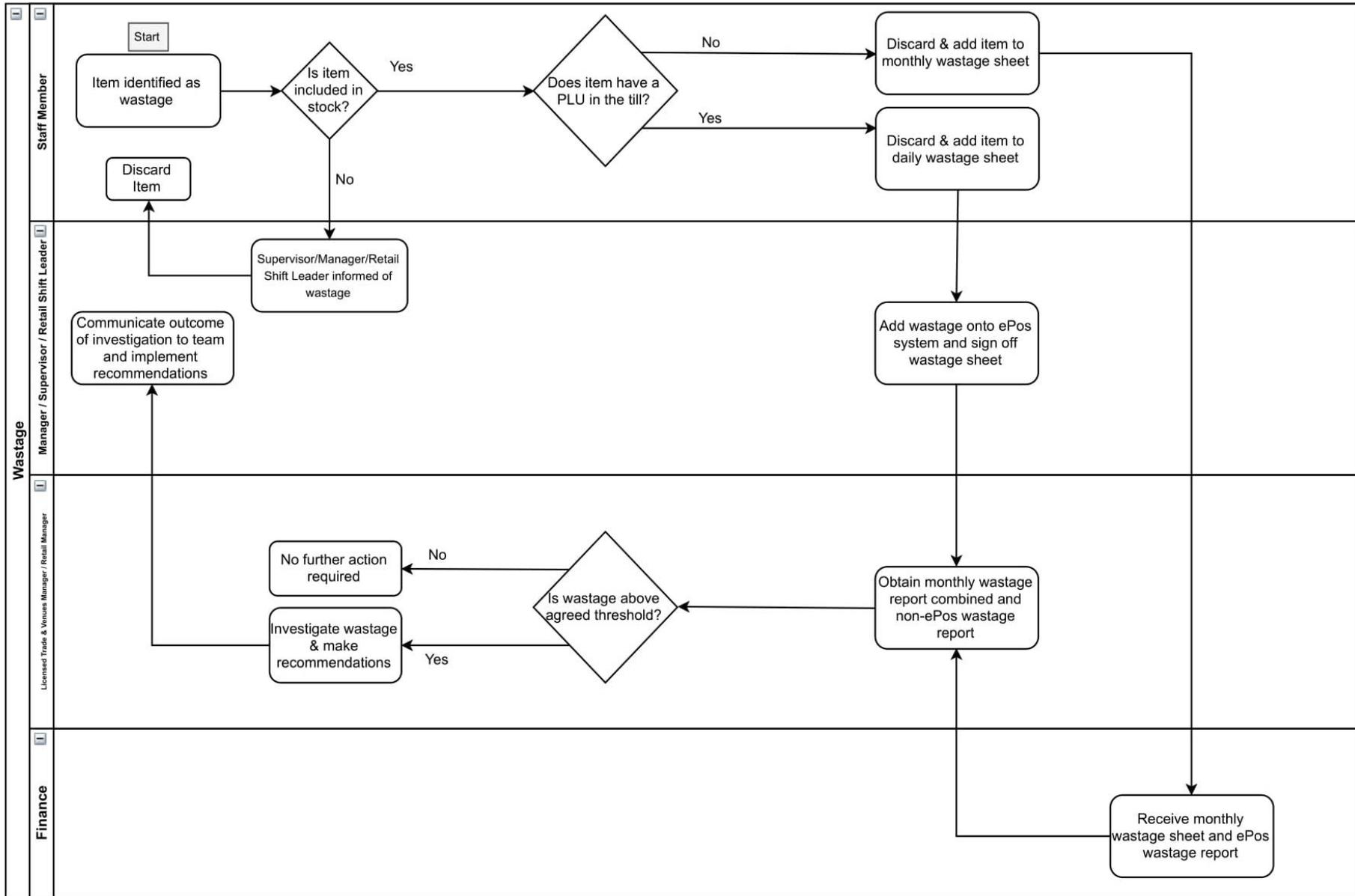
See attached process map

Exceptions

- Retail do not waste items through the epos. Currently all wastage will go onto the monthly wastage sheet⁷

⁶ Recommendation: Threshold levels for investigations are not yet part of the Union's Finance Manual. These should be agreed upon and added

⁷ Recommendation: Retail should be wasting the items through the epos. Wastage function to be investigated



Stocktaking

Key principles

- The stock holding level on the epos system is the definitive record of stock holding by unit⁸
- All goods will be counted on the last day of each month after the outlet has closed or the first day of the next month before the outlet has opened excluding any deliveries made that day
- Any free goods that are acquired as a result of a purchasing promotion or other acquisition will be added to stock and included in the valuation
- Stock variances above the agreed tolerance will be investigated by the Licensed Trade & Venues Manager and the Retail Manager for their respective areas⁹
- All Licensed Trade outlets will complete daily line checks on their key products

Standard stocktaking process

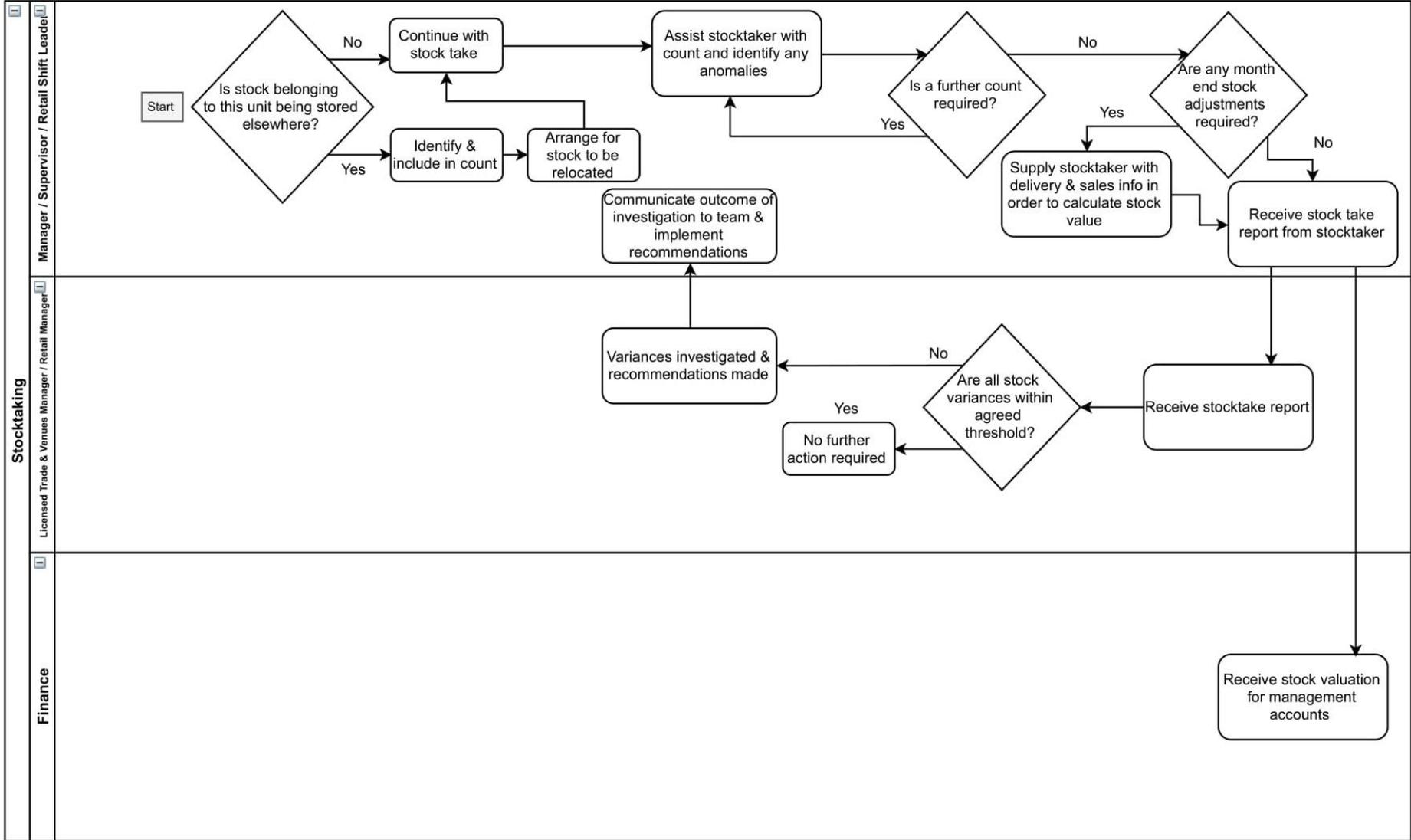
See attached process map

Exceptions

- Retail currently do a yearly stock take for the financial year end. Retail therefore conduct internal monthly stock takes overseen by the Assistant Retail Manager on products within 5 of their key departments. All variances are investigated by the Retail Manager. For this exception the term 'Stock Taker' would refer to the Retail Assistant Manager. Finance would not receive any information regarding these monthly stock takes unless requested
- Due to trade levels Beit Bars will receive two external audited stocktakes per month. For the audit that is not taking place at the end of the month for stock valuation purposes the stock on hand report does not need to be sent to the Finance Department
- If the last day of the month falls during a period of University closure, stocktaking will take place on a date agreed with the Finance Department
- Should for any reason a stock take be taken on a different date to that stated in the key principles a stock adjustment must be given to the Finance Department as soon as possible

⁸ Recommendation: h-bar should be on the same epos as other Union commercial outlets in order for stock to be included on the epos for stocktaking purposes

⁹ Recommendation: Threshold levels for investigations are not yet part of the Union's Finance Manual. These should be agreed upon and added



Cashing-up & Cash Discrepancies

Key principles

- Tills should be cashed up at the end of the shift to their agreed float limit by an authorised member of staff
- A shift is considered a changeover of Manager/Supervisor/Retail Shift Leader i.e. in Beit Bars where there are two shifts a day there will be at least two cash ups per day
- Cash discrepancies above the agreed threshold will be investigated by the Licensed Trade & Venues Manager and the Retail Manager for their respective areas¹⁰
- All floats will be held in a safe overnight
- Cash discrepancies will be investigated

Standard cashing-up & cash discrepancies process

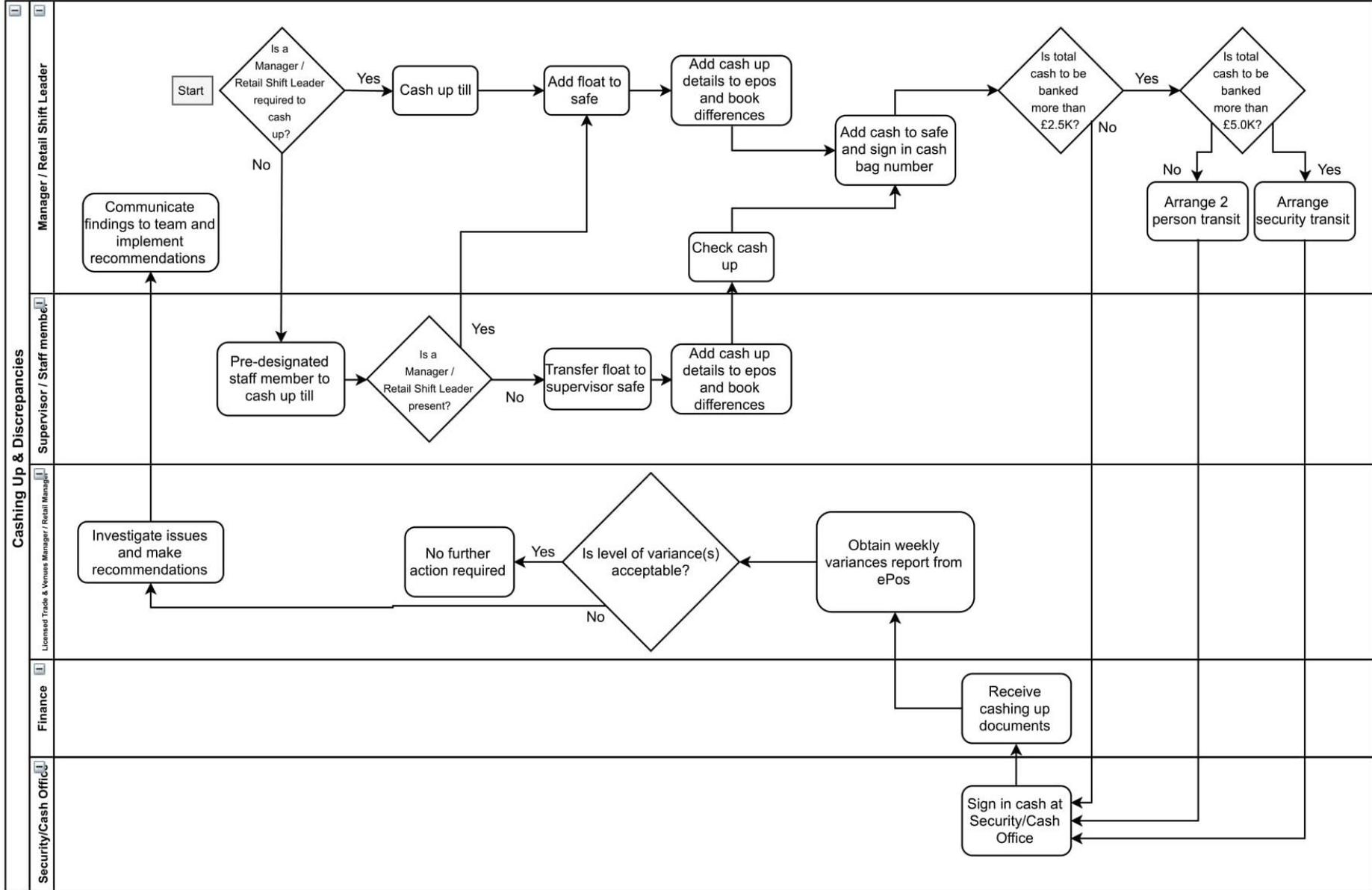
See attached process map

Exceptions

- On rare occasions, where a Manager/Supervisor/Retail Shift Leader is not on shift at the end of the day a responsible member of staff may be designated to cash up tills
- h-bar at present does not use the same epos as other licensed trade outlets and retail. Therefore h-bar would only supply paper evidence of cashing up and would not enter onto their epos system¹¹
- On instances where banking is done immediately after cashing up the transfer of cash to the safe which is to be banked can be avoided

¹⁰ Recommendation: Threshold levels for investigations are not yet part of the Union's Finance Manual. These should be agreed upon and added

¹¹ Recommendation: h-bar should be on the same epos as other Union commercial outlets. Conversations with college to put the outlet on our epos should be held to enable consistency



Ordering Change

Key principles

- A suitable amount of change should be kept in each outlet's safe in line with the insured holding level of that safe
- All floats should be made up with the necessary amount of change
- Change will form part of the safe count value
- Imperial College's Cash Office collection day is limited to Tuesdays only

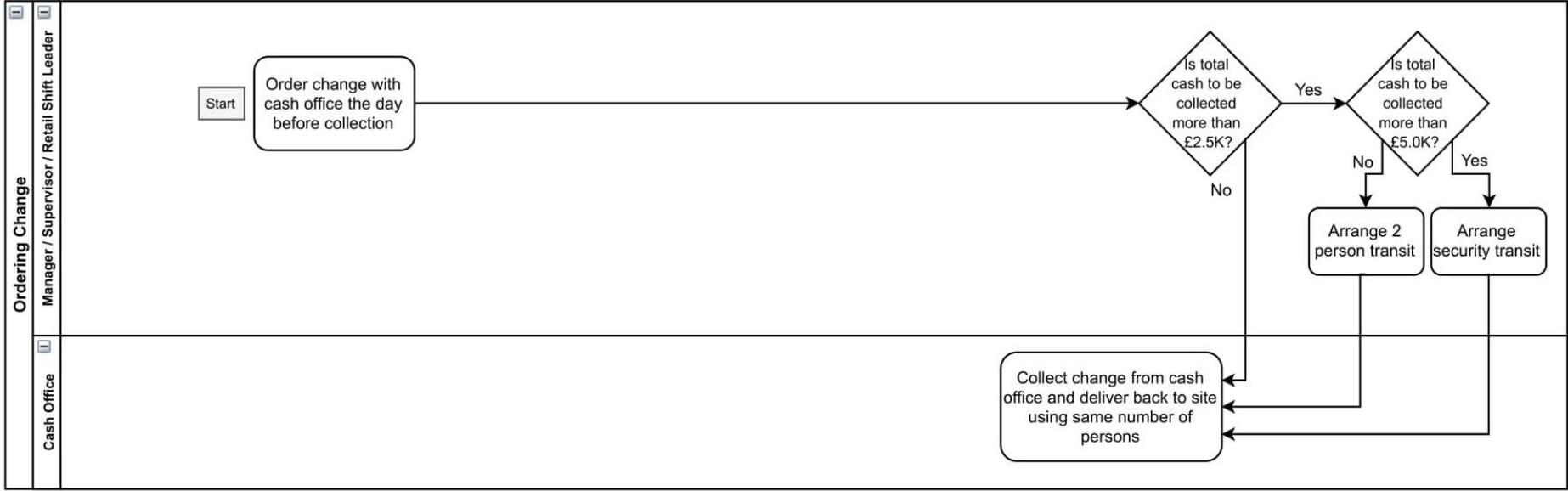
Standard ordering change process

See attached process map

Exceptions

- Reynolds Bar collect their change direct from the bank. The same procedure will be carried out in regards to persons required for transit based on cash amount¹²

¹² Recommendation: A request has been made to review this with the Union's Finance Manager with the aim to eliminate the need for staff to collect change direct from the bank



Refunds

Key principles

- Refunds represent a fraud/theft risk and in order to protect staff from suspicion rigorous controls must be in place
- Imperial College Union will not process card payments if the customer is not present. Therefore refunds will only be dealt with at the point of sale immediately after the need for a refund has arisen
- Refunds above the agreed threshold will be investigated by the Licensed Trade & Venues Manager and the Retail Manager for their respective areas¹³

Standard refund process

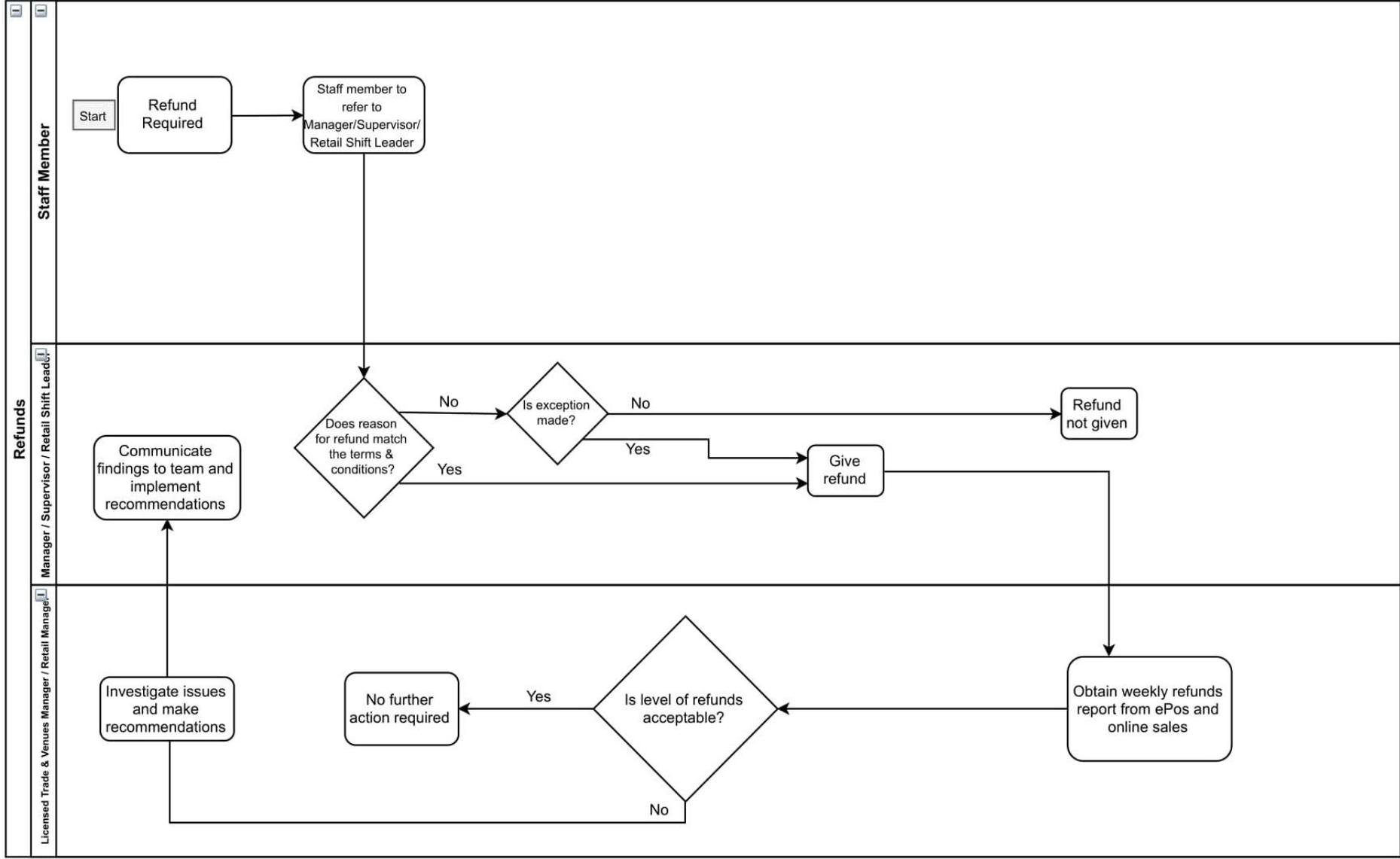
See attached process map

Exceptions

- On rare occasions whereby a customer has realised there is a problem with a card payment (e.g. accidentally charged twice) several days after leaving the outlet, a refund can be issued upon receipt of evidence of the disputed transaction having occurred. In this instance, the card holder would have to return to the outlet with the original payment card and provide evidence to the manager, who would investigate and assess whether a refund was due. In the event of an international customer who is no longer able to return with their payment card refunds can be processed over the phone
- The Deputy President of Finance & Services is the only person authorised to process refunds for any purchase made online at www.imperialcollegeunion.org¹⁴

¹³ Recommendation: Threshold levels for investigations are not yet part of the Union's Finance Manual. These should be agreed upon and added

¹⁴ Recommendation: Budget holders should be able to process refunds for purchases. Having this functionality will avoid bottle necking refunds with one person.



Transfer of Goods between Outlets

Key principles

- Stock transfers are necessary for effective team working, meeting customer requirement and providing the best opportunity to maximise on the sale of goods
- The definitive record of stock holding, by unit, is the epos system
- All stock held at an outlet belongs to that outlet and cannot be moved without a record of the transfer. Therefore all transfers between outlets must be entered into the Transfer Book and stored for stock taking purposes
- All stock transfers will be finalised through a branch transfer within the epos system and settled financially through eActivities

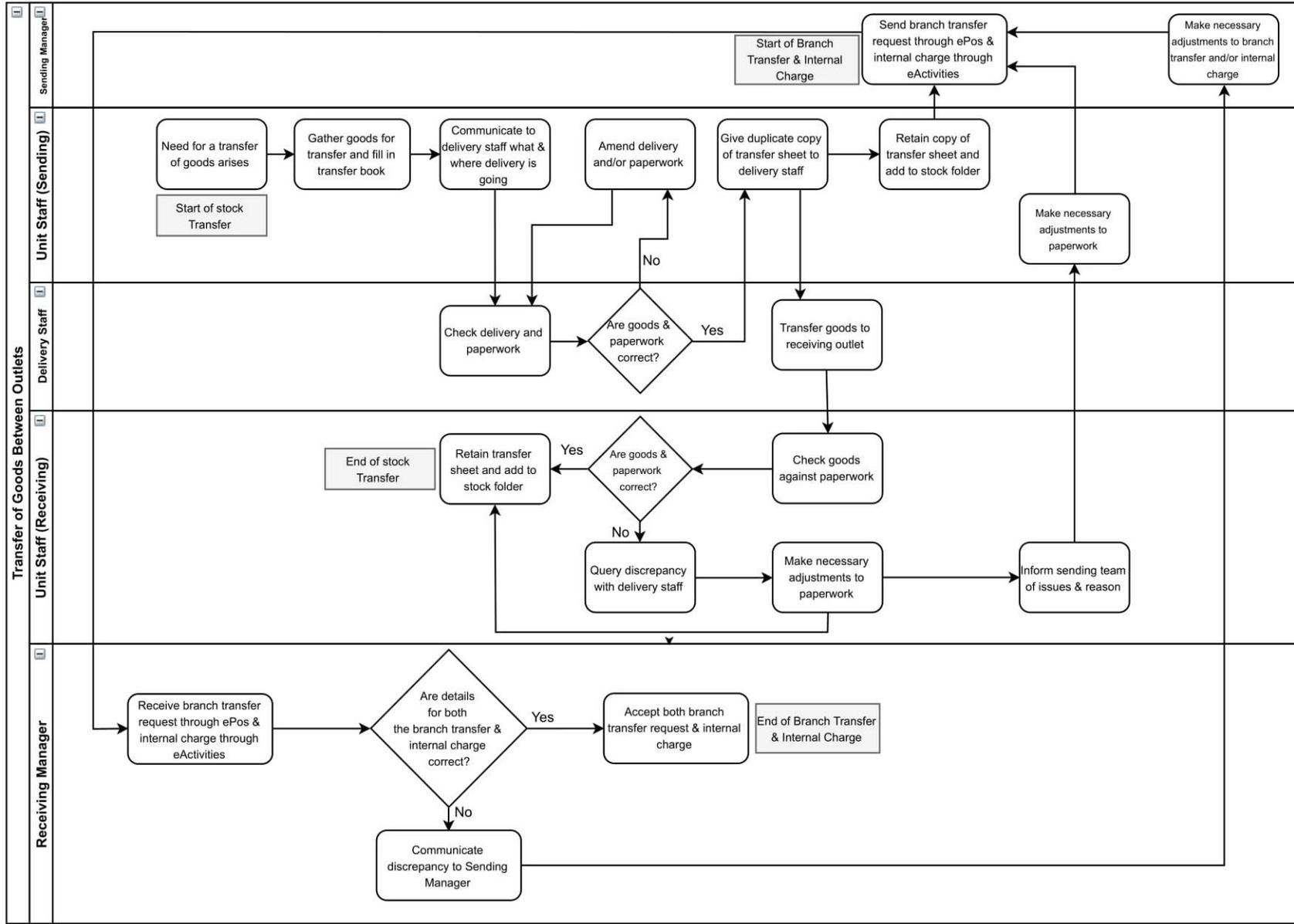
Standard transfer of goods between outlets process

See attached process map

Exceptions

- H-bar at present does not use the same epos as other licensed trade outlets and Retail. Therefore h-bar would not add their deliveries to the epos for stock control purposes nor would they complete branch transfers between outlets¹⁵

¹⁵ Recommendation: h-bar should be on the same epos as other Union commercial outlets. Conversations with college to put the outlet on our epos should be held to enable consistency



Voids & Over-rings

Key principles

- Over-rings will be brought to the attention of the Manager/Supervisor/Retail Shift Leader at the earliest opportunity
- Levels of voids and over-rings will be monitored and if over the agreed threshold will be investigated by the Licensed Trade & Venues Manager and the Retail Manager for their respective areas¹⁶
- Within Licensed Trade staff are able to void the last item entered onto the epos without the need for a manager or supervisor to perform the void
- Staff Members are only able to void the last item entered onto the epos¹⁷

Standard voids & over-rings process

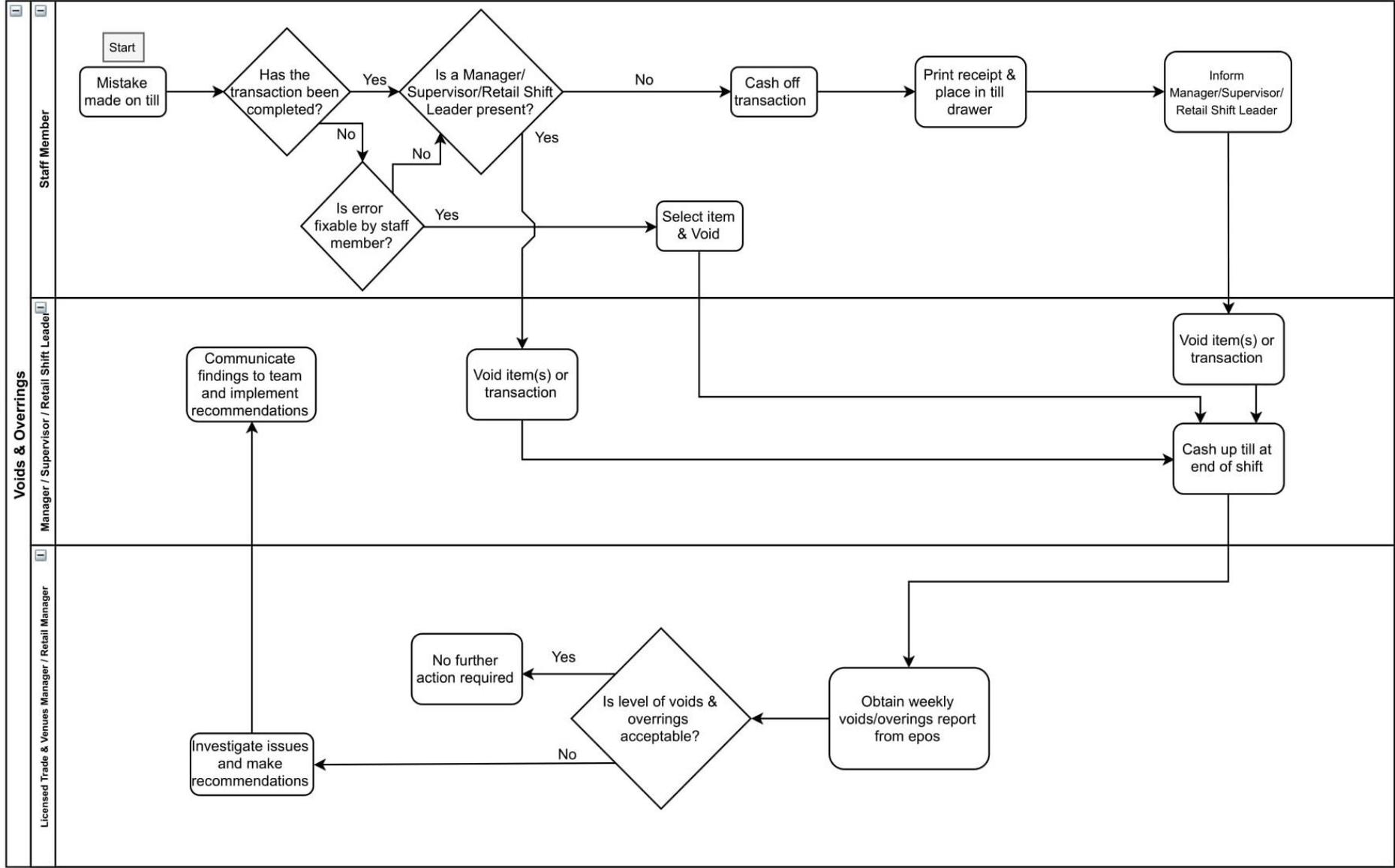
See attached process map

Exceptions

- None

¹⁶ Recommendation: Threshold levels for investigations are not yet part of the Union's Finance Manual. These should be agreed upon and added

¹⁷ Recommendation: Currently Retail staff members are able to void and cancel the full transaction through the epos. This should be rectified to match Licensed Trade in order to provide consistency



Annual Supplier Review

Key principles

- All suppliers that Imperial College Union are not currently under contract with and those that are not on the Imperial College London approved supplier list will be reviewed to ensure value for money
- All suppliers that are no longer used will be removed from eActivities
- The Supplier Review Team(s) will include both the Licensed Trade & Venues Manager and the Retail Manager to review suppliers for their respective area. The review team(s) will include the Union's Deputy President of Finance and Services¹⁸
- Where there is a cross over in the use of a supplier between Retail and Licensed Trade the review of the supplier will be done jointly between the two departments

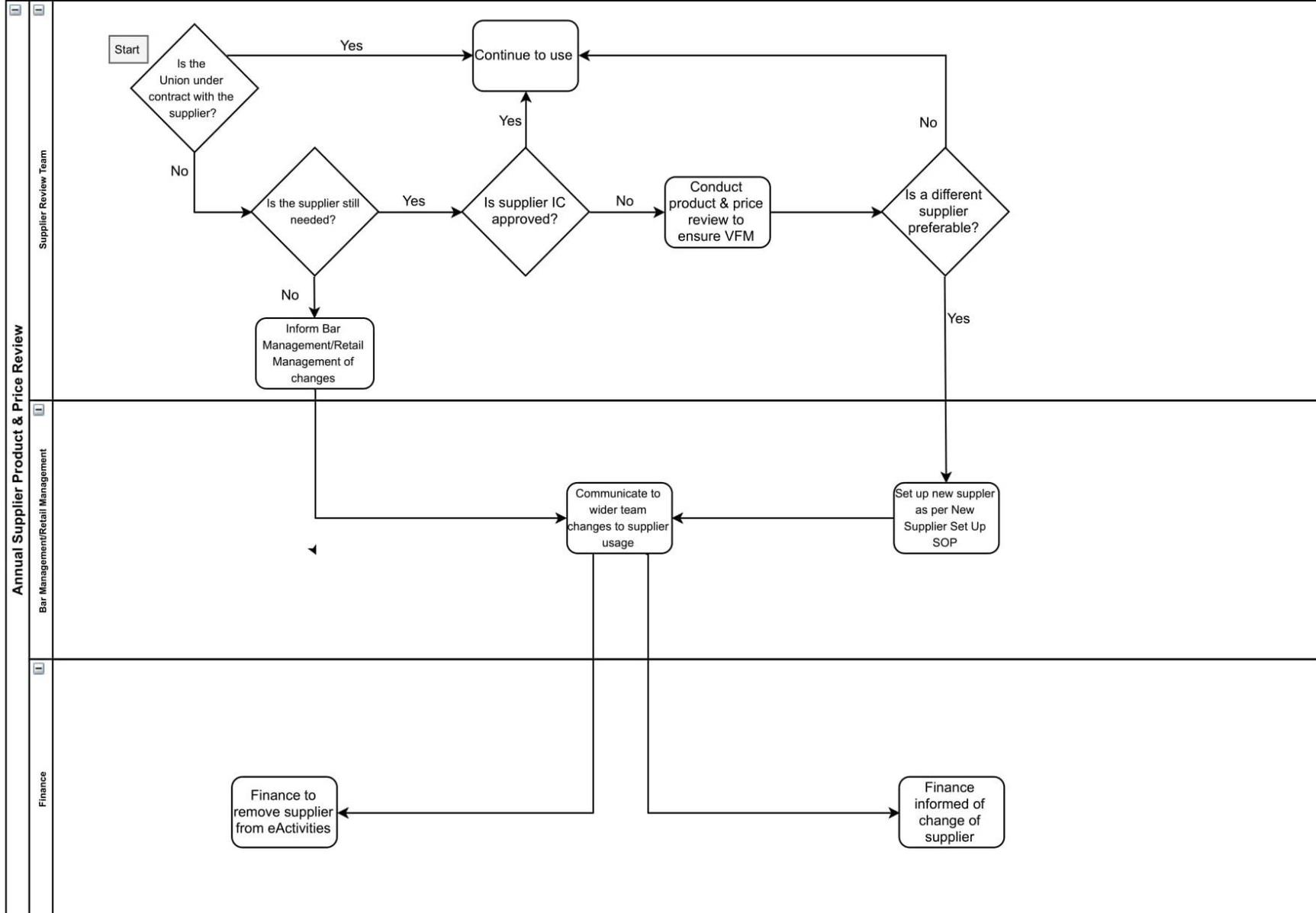
Standard annual supplier review process

See attached process map

Exceptions

- None

¹⁸ Recommendation: There is no reference in the Union's Financial Manual to the makeup of a Supplier Review Team. This should be agreed and included



Retail Online – Return of Goods

Key principles

- A record of all stock adjustments, transfers out/in of products, written off stock, and refunds made will be kept on file
- All stock adjustments from refunded items will be monitored and checked against the web order history. Number of refunds made above the threshold will be investigated by the Retail Manager
- All statutory rights for customers will be upheld
- All refunds will be processed by the DPFS¹⁹. The three types of refunds are:
 - R1 Refund – Customer qualifies for refund on select items only
 - R2 Refund – Customer qualifies for refund on all items and shipping out
 - R3 Refund – Customer qualifies from refund on all items and all shipping
- On rare occasions management may make an exception on whether a refund is made²⁰ i.e. the purchase was made 31 days ago where the regulation stipulate a 30 day refund time period. These exceptions will be monitored periodically by the Head of Commercial Services

Standard retail online –return of goods process

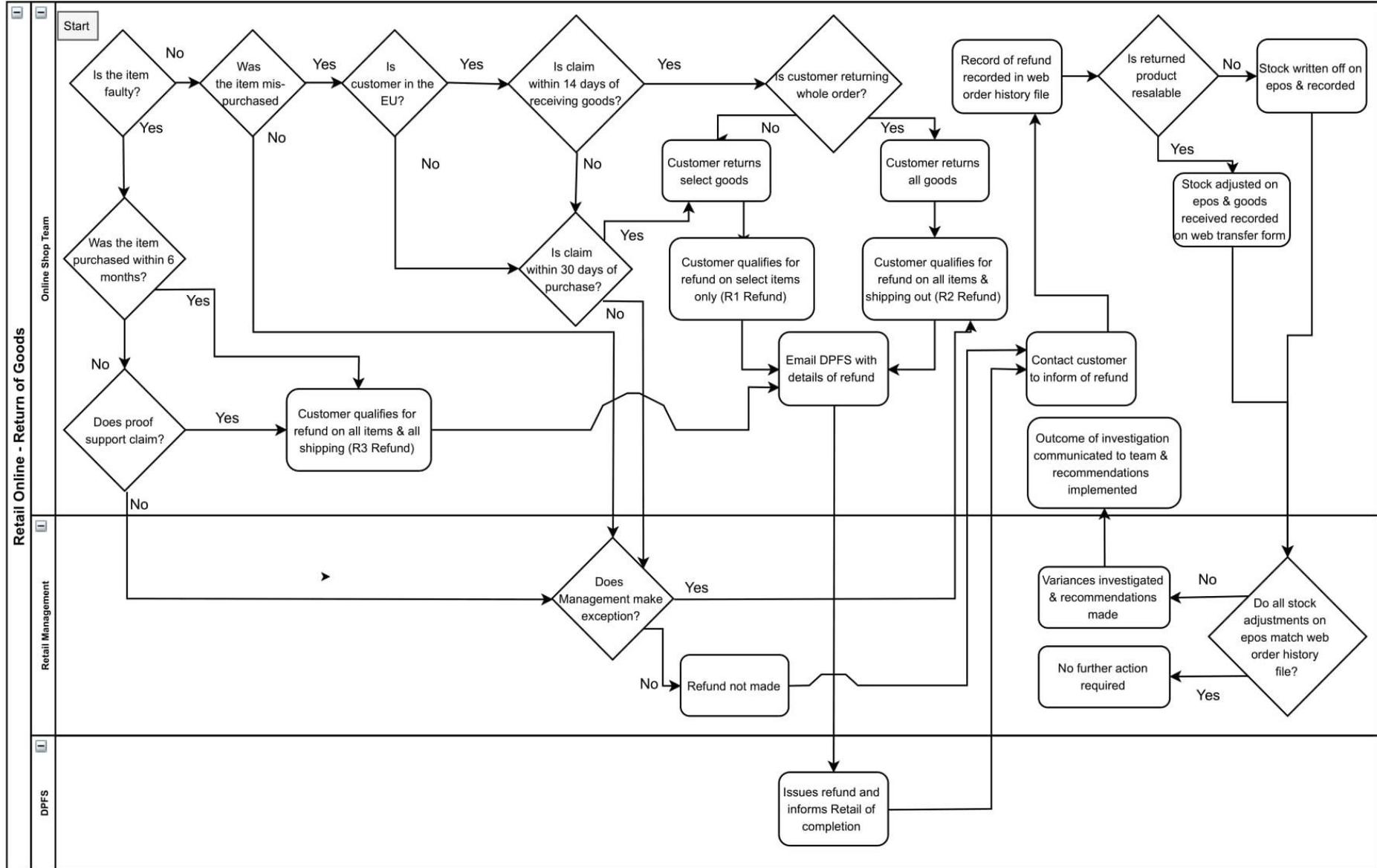
See attached process map

Exceptions

- None

¹⁹ Recommendation: Budget holders should be able to process refunds for purchases. Having this functionality will avoid bottle necking refunds with one person.

²⁰ Recommendation: A comprehensive list of manager exceptions for refunds should be agreed upon



Retail Web Sales

Key principles

- A record of all stock adjustments, transfers out/in of products, written off stock, and refunds made will be kept on file
- All items shipped against invoice totals will be monitored by the Retail Management. All discrepancies will be investigated
- All statutory rights for customers will be upheld
- All refunds will be processed by the DPFS²¹. The types of refund would be:
 - R1 Refund – Customer qualifies for refund on select items only
- Refunds made would fall into the same auditing process as those made within the Retail Online – Return of Goods Standard Operating Procedure

Standard retail web sales process

See attached process map

Exceptions

- None

²¹ Recommendation: Budget holders should be able to process refunds for purchases. Having this functionality will avoid bottle necking refunds with one person.

