

**Imperial College Union
Finance, Audit & Risk Subcommittee / 1 September 2021**

CSP Grant Allocations

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Purpose: To propose a grant allocation to CSPs for approval, and discuss the process for agreeing the Activities Development Fund (ADF).

Decision(s): To approve the CSP grant allocations, to consider the allocation of ADF going forward.

1. Context

The overall level of CSP grant allocations is approved by the Board of Trustees as part of the annual budgeting process. The specific allocations to individual groups is determined by a process detailed in the paper, and is submitted to the Finance & Risk Subcommittee for approval.

The Activities Development Fund (ADF) is an additional allocation of funding to support groups throughout the year which has traditionally been funded by unspent grant allocations from previous years. The Union would like to consult the Finance, Audit & Risk Subcommittee on how this should work going forward.

2. CSP Allocation Process

We go through a rigorous process with our club committees and senior volunteers to scrutinize budgets and allocate grants. This process is as follows:

- i. Clubs, Societies & Projects Board (CSPB) reviews and approves the Annual Budgeting Policy for the budgeting process, which includes: the timeframe for the budgeting process; what budgeting lines are grant eligible and those that are ineligible; estimated costs for the minibus charges; sports clubs allocation under the new Imperial Athletes funding model; and, ring-fencing procedures for certain budgets (i.e. Constituent Unions, Vintage Vehicle societies). The Policy is attached to this document as Appendix One.
- ii. A club submits an overall budget, broken down by events with grant requested for specific lines.
- iii. The budget and grant request is reviewed by the Management Group/Constituent Union Chair, Treasurer or Vice-Chair, who make changes to bring the budget in line with the Annual Budgeting Policy.
- iv. A different Management Group/Constituent Union is assigned to review the budget, and makes their own suggestions, where they feel the allocation is either too low, too high, or not grant eligible.
- v. DPCS/DPFS review any disagreements between the initial review and the second review, and with the assistance of the members of CSPB, make a final recommendation.
- vi. Recommendations are presented to the Finance, Audit & Risk Subcommittee for approval
- vii. Final allocations will be communicated to CSPs based on the decision made at Finance, Audit & Risk Subcommittee.
- viii. Appeals process for CSPs will then be held in accordance with the Annual Budgeting Policy.

3. 2021/22 CSP Allocations

The 2021/22 budgeting process for CSPs was not usual due to the uncertainty of COVID-19 and how the 2021/22 academic year would function due to this. CSPB approved the approach that CSPs should budget under “normal” circumstances, allocations would be made on this assumption, and if circumstances changed we would undergo a similar process as to the one undergone in the AY 2020/21 for reducing the grant allocated, if needed. The preliminary allocation for CSPs that applied for grant has been provided as Appendix Two.

We ask the Finance, Audit & Risk subcommittee to approve the preliminary figures attached in Appendix Two. The approved total budget for CSP Allocations is £427k.

4. ADF Process

ADF is a subcommittee of CSPB, elected at the start of every academic year from and by the members of CSPB. It aims to provide funding for three main purposes:

- i. Activity Development
- ii. Equipment Cover (essentially insurance)
- iii. Unforeseeable expenses

Applications open 5-8 times per year, and are reviewed and accepted or rejected by the subcommittee members.

The money in the ADF pot is traditionally made up of the unspent, rescinded grant from the previous academic year. This makes it difficult to predict and hard to budget for from the Union’s perspective. The size of the pot available in each year is also controlled by CSPB, who consider factors including the previous years ADF allocations and external factors affecting budgets in the year ahead.

A copy of the ADF policy owned by CSPB is available in Appendix Three.

From an accounting perspective, the treatment of ADF has been inconsistent in recent years, partly due to a lack of understanding of ADF, but also because it does not neatly fall within established budgetary/accounting frameworks within the Union. In the financial accounts, ADF sits as a ‘designated fund’ which essentially means that the Union has earmarked a proportion of its general reserve for these purposes – in reality any utilisation of the ADF goes through the accounts as a deficit to the unrestricted funds (a reduction of the designated fund by this amount may then be made, but this is not an automatic process). There is no clear policy on how, or by how much, the ADF will be ‘topped up’ each year.

We ask the Finance, Audit & Risk Subcommittee to consider the below:

- i. How would the committee best prefer for ADF funds to be treated from an accounting perspective?
- ii. Where should the ADF be funded from, and how much should the fund be ‘topped up’ by on an annual basis?