

**Imperial College Union  
Finance, Audit & Risk Sub-Committee / 22 June 2022**

**Activity Development Fund (ADF)**

Author(s): Rob Scully (Director of Finance and Resources)  
India Marsden (Deputy President (Clubs & Societies))  
Sam Lee (Deputy President (Finance & Services))

Purpose: To document and agree an approach to the management of the Activity Development Fund (ADF).

Decision(s): To approve the approach.

**1. Context**

The Activity Development Fund (ADF) has existed as a designated fund within ICU accounts for a number of years, and has been funded by underspends of CSP grants. Allocations are made from the fund by a subcommittee of CSP Board, with the DPCS as Chair, following the ADF Policy<sup>1</sup>.

Technically, the fund balance is topped up or utilised through a designation by Trustees. There has become an expectation from CSPB and successive DPCS/FSs that underspent CSP grants will be designated, but not formal agreement to this principle by Trustees.

The ADF provides an important funding source for groups that otherwise are not covered by the annual grant allocation process. It also helps remove the ‘use it or lose it’ incentive for groups to spend their entire grant each year, however it does tie up ICU funds that could be used for other purposes, including strategic investment. It is therefore prudent that Trustees consider the approach to ADF over the medium term.

**2. Fund History**

The table below illustrates the fund’s balance since 2016/17:

| <b>Year</b> | <b>Fund Balance</b> |
|-------------|---------------------|
| 2016/17     | 41,925              |
| 2017/18     | 26,820              |
| 2018/19     | 75,948              |
| 2019/20     | 75,948              |
| 2020/21     | 75,948              |

Throughout the pandemic, due to the significant operational and financial disruption, Trustees took the decision not to increase or decrease the fund during this period.

**3. Proposed ADF Principles**

In recognition of the fact that the ADF provides a helpful source of funding, and acts as a risk management tool for CSP finances, it is proposed that the organisation agrees the following principles:

---

<sup>1</sup> <https://www.imperialcollegeunion.org/sites/default/files/14.12.20%20Activities%20Development%20Fund%20Policy.pdf>

- i. ADF is an important source of funding for CSPs.
- ii. All increases to the ADF will be subject to explicit approval of Trustees, but will in principle be increased by the total net underspend of CSP grants each year.
- iii. ADF should be utilised in line with the ADF Policy owned by CSPB, unless otherwise determined by Trustees.
- iv. ADF should be used as a risk management tool to fund unexpected group losses before the Union's general reserve is accessed.
- v. CSPB should aim to maintain a minimum balance of ADF of £30k in order to fund shocks and group losses.
- vi. In order to ensure that the ADF does not restrict too significant an amount of Union funds, it will be capped at £100k

#### **4. Recommendation**

Trustees are recommended to approve the principles above.