



# Student Group External Account Policy and Procedure

## Introduction

Bristol SU requires all affiliated student groups to manage their finances through their SU account, which is ring fenced and held within Bristol SU's main bank account.

The reasons for this are as follows:

1. To enable Bristol SU to manage the risks associated with student group finances. Bristol SU has an established control environment which minimises the risk of financial loss through errors, poor financial management and fraud. Generally, student groups do not have the resources or expertise to operate such controls.
2. To enable Bristol SU's auditors to see the full picture of Bristol SU's financial position. Only the funds which are held in BSU's main bank account will be reported in Bristol SU's financial accounts, so our auditors require student groups operating outside of the main account to prepare their own financial accounts. This is a significant burden for the student group and requires financial expertise that many treasurers won't have.
3. To enable an effective handover between committees in order to ensure that that bank mandates are updated when signatories leave the University. If this doesn't happen the student group can lose access to their funds.

## What is an External Account?

An External Account is a bank account (or similar) operated by a Bristol SU affiliated student group in their own name. This account operates entirely outside of Bristol SU finances.

External Accounts includes accounts which are not traditional bank accounts but perform a similar function, in that you can collect and hold money in them, including:

- Paypal
- Monzo
- Stripe etc.

## Which Student Groups can have an External Account?

Bristol SU recognises that there are exceptional circumstances which may require a small number of groups to consider alternative banking arrangements.

**The general rule is that Bristol SU affiliated student groups should not have an External Account unless they satisfy all the following criteria:**

- Be financially stable
- Comply with Bristol SU's policies and procedures, including those relating to good governance, re-affiliation and handover
- Require a functionality that the main Bristol SU bank account can't provide (eg accepting gift aid) **or** the group would experience a loss of income if the external account was closed for example, loss of interest on reserves or non-renewal of standing orders.

**External Accounts can only be set up with the express permission of Bristol SU.** Any group wishing to set one up must obtain written agreement from the SU before the account is set up.

Requests should be submitted to [bristolsu-accounts@bristol.ac.uk](mailto:bristolsu-accounts@bristol.ac.uk)

## Treasurer Responsibilities for External Accounts

If a student group has an external account, they must:

1. Ensure that the external account is managed in a responsible way
2. Update the bank mandate each time there is a change in authorised signatories
3. Declare the existence of the external account(s) to Bristol SU during the reaffiliation process.
4. Provide details of the bank account to Bristol SU during the reaffiliation process.
5. Confirm annually, via the reaffiliation process, that they continue to comply with the criteria listed above. If the criteria no longer apply the student groups should close their external account immediately.
6. Produce annual financial accounts, in the format prescribed by Bristol SU, for the income and expenditure which has gone through their external account. These financial statements must be checked by either an auditor or an independent examiner. Guidance on who can act as an independent examiner and what they need to do can be found on the Charity Commission website. <https://www.gov.uk/government/organisations/charity-commission>. Any fees for the examination must be met by the student group.
7. Provide copies of the audited/examined accounts to Bristol SU at reaffiliation.
8. Notify Bristol SU immediately in writing if they close the account and submit a copy of the bank statement demonstrating the closure.

If a student group fails to comply with the criteria above, Bristol SU will request that the external account be closed. If this doesn't happen the group will be disaffiliated from Bristol SU.