

Imperial College Union  
**Designated Members Funds – A Report**  
*A paper by the Deputy President (Finance & Services)*

On 8 July, the Executive Committee approved a paper proposing a new way for Clubs, Societies and Projects to save money, in the form of Designated Reserves, replacing Capital Expenditure Plans. The details are attached in Appendix 1. The system was agreed in principle, with the logistics to be hammered out later.

After discussion with Finance, it was decided to change the name to Designated Members Funds, to comply with SORP accounting procedures, mandated by our impending registration as a charity. It was also not possible to make it a separate Funding Code, and will rather be classified under a new Natural Code called Designated Members Funds, which will not appear under the normal transaction pages. It will sit under a separate tab on eActivities so that the funds can be kept separate. For more detail on the new system see Appendix 2. This is what will be circulated to clubs and form the basis of training,

**Appendix 1**

Imperial College Union  
**Designated Members Funds Policy**

All Clubs, Societies & Projects wishing to purchase large expenditure items, which otherwise would not be feasible to purchase during one financial year, may use a designated reserve upon approval by CSB.

The designated reserve:

- Shall have an assigned funding code and activity codes specific to the designated purchase;
- Shall only be allowed to be spent on the designated purchase;
- Shall be required to be approved by the DPFS prior to purchase in order to check it will be spent on the designated purchase;
- Shall roll over each financial year, until spent. At such time, the reserve will close and any left-over funds will be transferred to SGI;
- May not under normal circumstances receive transferred funds from club grant allocation. The Clubs and Societies Board shall determine exceptional circumstances on a case-by-case basis.

## **Appendix 2**

### **Designated Members Funds –: Using DMFs**

1. When a club wishes to start saving for a large expenditure item, they will apply to the Clubs & Societies Board to open a Designated Members Funds account. This application will include details of the planned expenditure, the time taken to save funds, and demonstration of the need for the item.
2. Some clubs will be saving up for multiple items – they will be able to use Activity Codes to separate their DMF account.
3. The DMFs will be classified as a Natural Code, with the number 226. This code will not appear on the CSPs' normal transaction pages, but will rather appear as a separate tab on eActivities under Club & Society Admin, called Designated Members Funds. This will keep the 'savings account' of DMFs separate from the 'current account' of the normal transaction pages.
4. CSPs will be able to make transfers into their DMF using a specific form on eActivities, found in the DMF tab. The transfers will go from Members Funds (225) to Designated Members Funds (226).
5. These transfers will be entered as 'pseudo-journals', and will appear blue on the transaction pages. At the end of the year, if the club's remaining SGI is positive, the pseudo-journals will be entered as real journals, confirming the transfer of funds. If the SGI balance is negative, the DMF will be used to balance the account. Further, DMFs saved in previous years can be used to offset a future year's losses.
6. Any spend of DMFs needs to be approved by the DPFS, to ensure that the money is spent on the purchase originally indicated in the application to CSB.
7. In order to use a DMF, the club will (after getting permission from the DPFS) purchase the item using their normal SGI account. Equivalent funds from the DMF will then be transferred to the general account by the Finance team. If any funds remain in that DMF, they will also be transferred to the general account, and the DMF closed.