



香港大學學生會

The Hong Kong University Students' Union

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**THE FINANCIAL REGULATION  
OF  
THE HONG KONG UNIVERSITY STUDENTS' UNION**

*(Last revised in CM10 2013)*

*Enactment History*

*1994 ECM2 Amended*

*1995 CM7 Amended*

*1996 CM3 Amended*

*1996 CM6 Amended*

*1998 CM15 Amended*

*2006 ECM3 Amended*

*2009 CM11 Amended*

*2009 CM12 Amended*

*2010 CM7 Amended*

*2011 CM4 Amended*

*2011 CM8 Amended*

*2013 CM5 Amended*

*2013 CM10 Amended*

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## **SECTION I**

### **GENERAL**

#### **0. Definition (*Amended in CM8 2011*)**

In this Financial Regulation:

“Union”	shall mean the Hong Kong University Students’ Union.
“Union Council”	shall mean the Council of the Union;
“Financial Regulation”	shall mean the Financial Regulation of the Union;
“Finance Committee”	shall mean the Union Finance Committee of the Union Council;
“Union Financial Secretary”	shall mean the Financial Secretary of the Union;
“Union Executive Committee”	shall mean the Executive Committee of the Union;
“SA”	shall mean the Sports Association of the Union;
“CA”	shall mean the Cultural Association of the Union;
“ICA”	shall mean the Independent Clubs Association of the Union.

#### **1. Aim**

- 1.1. Financial Regulation governs all financial matters of the Union. (*Amended in CM6 1996*)
- 1.2. Any matters concerned not stated in these regulations which are not controversial and not violating the principles in Article 2 of the same section shall be decided by the Finance Committee and the Union Council reserves the right of final approval.

#### **2. Principles**

- 2.1. The primary function of holding our assets is to better serve the interest of Union members in monetary terms. The assets should be adjusted in such a way that it will generate a certain amount of income to meet our expenditure while on the other hand such income generating process would not eat into our asset position in real terms.
- 2.2. Basically the Union will have a non-deficit budget. In preparing the budget, the worthiness of the activities requiring money will be given primary consideration, of course bearing in mind the constraints set up by short term fixed income.
- 2.3. The proportion of the deficit, if necessary, shall not be more than 5% of the whole budget. A deficit shall only be accepted provided the principles 2.1 and 2.2 above are not contradicted.

### **3. Amendment**

- 3.1. These regulations shall be amended or rescinded at any Union Council meeting with recommendation from the Finance Committee and a motion carried by a two-thirds majority. (*Amended in CM6 1996*)
- 3.2. A notice intimating the proposed amendment of recession shall be sent 5 clear days before the meeting.

## **SECTION II**

### **TERMS OF REFERENCE**

#### **1. Union Honorary Treasurer**

- 1.1. To be responsible for all Union Finance.
- 1.2. To advise the Union on all matters of finance.

#### **2. Union Financial Secretary**

- 2.1. To assist the Honorary Treasurer in all matters of Union Finance.
- 2.2. To manage the financial transactions of the Union.
- 2.3. To keep proper books of account of the Union.
- 2.4. To be the ex-officio chairperson of the Finance Committee.
- 2.5. To prepare the Union budget.
- 2.6. To exercise financial supervision over all Union sub-organizations.
- 2.7. To help the financial secretary of Union sub-organizations in all matters of finance.
- 2.8. To implement any resolutions as decided by the Union Council.

#### **3. Finance Committee**

- 3.1. To advise Union Council on all matters of finance. *(Amended in CM6 1996)*
- 3.2. To investigate and take action into matters of Union Finance. The main field of work shall be:
  - 3.2.1. Management of Union income and expenditure;
  - 3.2.2. Scrutiny of Annual Union Budget;
  - 3.2.3. Scrutiny of Annual Audited Statement of the Union;
  - 3.2.4. Approval and disapproval of fund raising activities;
  - 3.2.5. Drafting of financial regulation;
  - 3.2.6. Management of Union Loan Fund, Jordan Memorial Information Centre Fund, Education Fund, Academic Fund, China's Democracy Fund and Publication Fund.  
*(Amended in CM8 2011)*
  - 3.2.7. Management of Contingencies of the Union.
- 3.3. To make half-yearly and annual report to Union Council. *(Amended in CM11 2009)*

**4. Financial Secretary of Union sub-organization**

- 4.1. To be responsible for all matters of finance of the Union sub-organization. (*Amended in CM6 1996*)
- 4.2. To keep proper books of account of the Union sub-organization. (*Amended in CM6 1996*)
- 4.3. To manage all transactions of the Union sub-organization. (*Amended in CM6 1996*)
- 4.4. To prepare the budget and financial report in accordance with the Financial Regulation.

**5. (*Repealed in CM6 1996*)**



## **SECTION III**

### **FUNDS**

#### **1. Co-operative Store Fund**

The fund was established early in 1959 and after revisions in 1981, 1983, 1984, 1989, 1990, 1992, 1993 and 1994 the amount of the fund is \$ 1,500,000. The purpose of the fund is to purchase stock for sales in co-operative store with the following regulations (*Amended in CM6 1996*):

- 1.1. An imprest system is adopted in a sense that a constant amount of fund is always present.
- 1.2. Accounting entries:
  - 1.2.1. All purchase should be debited to the purchase account Co-op Store and credited to the creditor account.
  - 1.2.2. All sales should be debited to the cash account and credit to the sales account of Co-op Store.
  - 1.2.3. Any balance in excess of or in short of the amount of this fund should be transferred to or from other funds.
- 1.3. The fund is represented by stock and cash balances.
- 1.4. The fund should be managed by the Union Student Welfare Secretary and a staff member of Co-op Store jointly. Any use of the fund must be approved jointly by the Student Welfare Secretary and a staff member of Co-op Store. (*Amended in CM5 2013*)

#### **2. (*Repealed in CM11 2009*)**

#### **3. Provident Fund (*Amended in CM7 1995*)**

Provident Fund is composed of the staff members' subscription and the Union's contribution.

- 3.1. The subscription from the staff member shall be a sum equal to 5% of his or her salary, and to be deducted from his or her salary every month.
- 3.2. The Union's contribution shall be a sum equal to 13.5% of staff member's salary, payable every month in addition to his or her monthly subscription.
- 3.3. A trustee independent from the Union shall be employed to manage the administration and investment of the Fund.
- 3.4. The Union shall pay the remuneration for the services provided by the trustee concerning the Fund and all the other necessary administration cost incurred.
- 3.5. The Union Financial Secretary shall supervise the administration of the Fund.
- 3.6. When a staff member leaves, he or she shall obtain his or her share calculated on the basis of the total amount of the Fund at the time of his or her leaving.
- 3.7. When a staff member leaves within one year's service, he or she shall only obtain a portion in proportion to his or her of contribution in the total amount of the Fund, subject to item 3.6.

- 3.8. When a staff member leaves after one year's service, he or she shall obtain a portion as specified in item 3.7 in addition to a percentage of the Union's contribution in proportion to his or her years' of services as stated in the following table.

Completed Years of Service	Vesting Percentage
Equal to OR Less than 1	Nil
2	20%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

#### **4. Triennial Intervarsity Games Fund (*Amended in CM4 2011*)**

The purpose of the fund is for the promotion and encouragement of the Triennial Intervarsity Games (T.I.G.) or the Biennial Intervarsity Games (B.I.G.). The sources of the fund including stocks come from:

- (a) The balance brought forward from the proceeding T.I.G.;
- (b) An annual transfer of not less than \$10,000 from the recurrent income of the Union. The exact amount depends on the overall financial situation of the Union.

The organizing committee of the T.I.G. / B.I.G. of SA shall be responsible for the management of the fund, under the supervision of the Finance Committee.

#### **5. Union Development Fund**

- 5.1. The fund should be used for the development of the Union which may include:
  - 5.1.1. Capital investment which is beneficial to the functioning of the Union;
  - 5.1.2. Construction or reconstruction, decoration and furnishing of the Union Building and Union managing areas;
  - 5.1.3. Development or expansion of Union services;
  - 5.1.4. Any other specific usage as decided by Union Council. (*Amended in CM6 1996*)
- 5.2. The sources of the Fund include:
  - 5.2.1. An annual transfer from the Union Budget which shall not be less than 5% of the total recurrent income; (*Amended in CM15 1998*)
  - 5.2.2. Any donations specified for the development of the Union.
- 5.3. The usage of Union Development Fund shall be approved by the Union Council with the recommendation of the Finance Committee. (*Amended in CM6 1996*)



## **6. Union Loan Fund (Amended in CM8 2011)**

In 1981, a Council Loan Fund was set up by the Union for short term financial difficulties in sub-organizations. The amount of which was \$50,000, transferred from the General Reserve Fund. Later that year, the Union Council had resolved that the name of the fund should be amended to Union Loan Fund. In the following year, the Union Council had resolved that the amount should be extended to \$80,000 and the shortage of \$30,000 was transferred from the I/E account. While \$10,075 was written off in 1985, the Union Council had resolved in 1990 to extend the amount of the Loan Fund to \$100,000 and the shortage of \$30,075 was transferred from the I/E account.

*(Amended in CM6 1996)*

- 6.1. The purpose of the fund is to provide emergency loan to all Union sub-organizations to deal with short term financial difficulties.
- 6.2. The outstanding amount of loan shall not exceed \$150,000 at any time. *(Amended in CM8 2011)*
- 6.3. The loan to Union sub-organization per function in any case shall not be more than \$20,000. *(Amended in CM8 2011)*
- 6.4. The amount of the loan is subject to the discretion of the Finance Committee which will consider individual application under the following criteria: *(Amended in CM6 1996)*
  - 6.4.1. Necessity of the Union sub-organization for financial assistance;
  - 6.4.2. Only the amount that the Finance committee members consider that the Union suborganization can have the capacity to return would be loaned.
- 6.5. The recipient Union sub-organization has to: *(Amended in CM6 1996)*
  - 6.5.1. Repay to the Union Loan Fund not less than half of the loan within six months, starting from the date of completion of the undertaking form;
  - 6.5.2. Repay to the Union Loan Fund the remaining part of the loan within one year, starting from the date of completion of the undertaking form, unless with the written permission from the Finance Committee.
- 6.6. Each Union sub-organization of a loan shall be required to sign a form of undertaking to repay the loan in manner agreed in paragraph 6.5. *(Amended in CM6 1996)*
- 6.7. The Chairperson of the Union sub-organization should be the liaison person for whatever matters arise concerning the loan, between the Union sub-organization and the Union. *(Amended in CM6 1996)*

## **7. Union Presidential Loan Fund (Terminated in CM8 2011)**

In 1972, a loan fund of \$25,000 was set up by the Union Council to provided financial assistance to the Presidents of the Union (namely the President, the Vice-President (Internal) and the Vice-President (External)). In 1984, a further \$25,000 was transferred from the income of the Union to the fund. In viewing of the balance of 1985, a sum of \$52,000 was accumulated. Also, with a large expansion in 1989, \$20,000 was transferred to the fund from the surplus of that year.

From it, interest-free loan will be made to Presidents. In 1990, 1991 and 1992, the Loan Fund was extended to \$120,000, \$142,000 and \$200,000 by transferring \$48,000, \$22,000 and \$58,000 from the surplus of the corresponding years. With some amendments in 1982, 1984, 1987, 1989, 1992, 1996 and 2009 by the Union Council. The Fund was terminated in 2011 due to serious bad debt and the increased amount of Union Presidential Subsidies ~~was increase~~. The Union reserves the right to take legal action against previous presidents who have not repaid the Union Presidential Loan despite the termination of the fund.

#### **8. Presidential Subsidies (*Amended in CM8 2011*)**

In 1988, the Union Council decided to offer allowances to Presidents of the Union (namely the President, the Vice-President (Internal) and the Vice-President (External)) so as to subsidize their expense related to their posts. In 2011, the Union Council decided to amend the amount of the Subsidies and extend the allowances for the Presidents who defer their study. (*Amended in CM8 2011*)

- 8.1. The total maximum amount granted per annum shall be \$70,000.00. (*Amended in CM8 2011*)
- 8.2. \$5000 will be granted to Union President and \$2500 to each Vice-Presidents once he or she takes the turn of office. (*Appended in CM8 2011*)
- 8.3. \$20,000 will be granted to the Presidents for the deferral of one semester, \$40,000 for two semesters. (*Appended in CM8 2011*)
- 8.4. The rest of the Fund will be offered with application and receipt which grant for their expenses related to the post.

## **9. Union Journal Fund**

The purpose of the fund is for the promotion and encouragement of the publication of the Union Journal. Sources of the fund include:

- 9.1. Any donation specified for the above purpose;
- 9.2. Surplus, if any, from the proceeding publication of the Union Journal;
- 9.3. An annual transfer of not less than \$10,000 from the recurrent income of the Union.

The exact amount depends on the overall financial situation of the Union. The editorial board of the Union Journal is responsible for the management of fund under the supervision of the Finance Committee. (*Amended in CM6 1996*)

## **10. Education Fund (*Amended in CM8 2011*)**

Education Fund was established in 1992 on the termination of Liu Lit-for Education Fund, which had been established in 1986 with the generous donation by Mr. Liu Lit-for to Union. (*Amended in CM6 1996*)

### **10.1. Sources of the Fund Included:**

- 10.1.1. An initial amount of HK\$75,027, the balance at end of 1991 of Liu Lit-for Education Fund ;
- 10.1.2. Donations specified for this purpose;
- 10.1.3. Annual transfer from the Union Budget.

### **10.2. Aims:**

- 10.2.1. The aims of the Fund are to improve the education system of Hong Kong (especially the University of Hong Kong) and promote civic education activities in the University.

### **10.3. General Management:**

- 10.3.1. The Fund shall not be used unless with the approval of the Finance Committee. (*Amended in CM6 1996*)
- 10.3.2. A written notification should be sent to the applicants regardless of whether the Finance Committee has approved the application or not. (*Amended in CM3 1998*)
- 10.3.3. The approved amount of fund shall not be transferred into the account of applicant unless the financial report has been received by the Finance Committee. (*Amended in CM 3 1998*)

### **10.4. Applicants:**

- 10.4.1. The Union Executive Committee, undergraduate student representatives in University Senate, Faculty Board or any University Committees and all Union sub-organizations are eligible to apply for subsidies. (*Amended in CM8 2011*)

### **10.5. Criteria for granting subsidy:**

- 10.5.1. Activities concerning teaching evaluation or university affairs shall be subsidized

provided that the budgets are reasonable. These activities may include evaluations on teaching methods, teaching medium, course contents, curriculum structure, teaching environment, etc.

10.5.2. Supplementary courses like liberal studies organized for students of the University of Hong Kong with the purpose of providing an all-round education. *(Amended in CM6 1996)*

10.5.3. Other activities of the following categories shall be eligible for subsidies:

10.5.3.1 Review and improvement on HK education system;

10.5.3.2 Review and improvement on education system of the University of Hong Kong;

10.5.3.3 Promotion of civic education. (Please refer to Appendix II for guidelines on definition of civic education)

10.5.4. Except for activities jointly organized by the Union Executive Committee and Union sub-organization, the subsidies on activities shall not exceed, in each application, 75% of the expected total expense.

10.5.5. Every subsidy shall not exceed \$5,000.

10.6. Applications:

10.6.1. Applicants should submit to the Finance Committee a proposed programme together with a budget including all relevant incomes and expenditures. *(Amended in CM6 1996)*

10.6.2. Applicants should submit an audited financial report to the Finance Committee within 4 weeks after the completion of the activities.

10.7. Termination: A notice of termination shall be made one year in advance should the Union Council decide to terminate the Fund.

## **11. Academic Fund *(Amended in CM8 2011)***

11.1. General:

It is a fund accumulated from the sponsorship of the external organizations under the adopted policy for the promotion of external organization.

11.2. Aims:

It is to encourage the Union sub-organizations to organize activities of its same nature and to promote academic atmosphere in the University of Hong Kong. *(Amended in CM6 1996)*

11.3. Applicants:

The Union Executive Committee and all Union sub-organizations are eligible to apply for subsidies. *(Amended in CM8 2011)*

11.4. Criteria for granting subsidy:

11.4.1. Activities involving the promotion of related academic subjects shall be eligible

for subsidies.

11.4.2. Every subsidy should not exceed \$5,000.

11.4.3. Only programmes, considered by the Finance Committee, which are effective in bringing message to the student body will be granted.

11.5. Applications:

11.5.1. Applicants should submit to the Finance Committee a proposed programme together with a budget including all relevant incomes and expenditures.  
*(Amended in CM6 1996)*

11.5.2. Applicants should submit an audited financial report to the Finance Committee within 4 weeks after the completion of the activities. *(Amended in CM6 1996)*

11.6. General Management:

11.6.1. The Fund should be under the supervision of the Finance Committee and deposited with the saving account of the Union. *(Amended in CM6 1996)*

11.6.2. The Fund shall not be used unless with the approval of the Finance Committee.  
*(Amended in CM6 1996)*

11.6.3. *(Repealed in CM5 2001)*

11.6.4. A minimum reserve of \$20,000 excluding the expenses for a year shall be maintained by either subsidies by the Union or sponsored by external organizations. *(Amended in CM6 1996)*

11.6.5. The maximum reserve of the fund should be \$200,000. Any amount exceeding \$200,000 should be credited in the I/E account. *(Amended in CM3 1997)*

11.6.6. A written notification should be sent to the applicants regardless of whether the Finance Committee has approved the application or not. *(Amended in CM3 1998)*

11.6.7. The approved amount of fund shall not be transferred into the account of applicant unless the financial report has been received by the Finance Committee.  
*(Amended in CM3 1998)*

11.6.8. Termination: A notice of termination shall be made one year in advance should the Union Council decide to terminate the fund.



## **12. China's Democracy Fund**

### 12.1. General:

This fund was raised in 1989 around the period of June 4 Massacre, with the purpose of supporting the reformers and the student movement for democracy in China. The fund consists of an initial amount of \$260,494.70 and other donations specified for the purpose. *(Amended in CM6 1996)*

### 12.2. Aim:

To promote the importance of China's Democracy.

### 12.3. General management:

The fund shall be managed by the Finance Committee. *(Amended in CM6 1996)*

### 12.4. Applicants:

All Union sub-organizations shall be eligible to apply for this fund. *(Amended in CM6 1996)*

### 12.5. Criteria:

12.5.1. Activities to support the democratic movement in China.

12.5.2. Activities to promote the understanding of China's political development among University or secondary school students in Hong Kong. *(Amended in CM8 2011)*

### 12.6. Application:

12.6.1. All applications shall be submitted to the Finance Committee at least 4 weeks before commencement. Each application shall include a proposed programme, target groups, a budget and the person-in charge of the function. *(Amended in CM6 1996)*

12.6.2. Reports, with audited financial statements, shall be submitted to the Committee within 4 weeks of the completion of the activities.

## **13. Publication Fund** *(Amended in ECM2 1994)*

### 13.1. Aim:

It is to encourage the Union Members to express and share with other students their views on any matter.

### 13.2. Applicants:

All the Union Members are eligible to apply for the subsidies.

### 13.3. Requirements for granting subsidy:

13.3.1. no commercial advertisement should be included in the publication.

13.3.2. no promotion of the activities of the Union sub-organizations is allowed in the publication.

13.3.3. each printing should have at least 800 copies.

13.3.4. it should not be a publication of the Union sub-organizations.

13.3.5. it should not be for sale.

- 13.3.6. the publication should acknowledge the The Hong Kong Univeristy Students' Union Publication Fund. (Amenede in CM8 2011)
- 13.3.7. the following statement must be included in the publication: (Amenede in CM8 2011)
- i) This publication is sponsored by the The Hong Kong Univeristy Students' Union Publication Fund.
  - ii) The contents of this publication do not represent the views of the Hong Kong University Students' Union.
- 13.3.8. the names and university number of editorial board members should be printed on the publication.
- 13.3.9. it should not be the item of Budget of the Union or sub-organization.
- 13.4. Application method:
- Application accompanied by the original printing should be submitted to the Finance Committee before issuing.
- 13.5. General management:
- 13.5.1. The Fund should be under the supervision of the Finance Committee and deposited with the saving account of the Union. (*Amended in CM6 1996*)
- 13.5.2. The Fund should not be used without the approval of the Finance Committee. (*Amended in CM6 1996*)
- 13.5.3. The minimum reserve in the Fund should be \$3,000. (*Amended in CM6 1996*)
- 13.5.4. The amount of granting should not exceed \$35,000 each year.
- 13.6. Granting subsidies:
- 13.6.1. The maximum amount of subsidies to each publication is \$2,000.
- 13.6.2. The subsidy depends on the number of copies and expenditure on it,
- | <u>Amount of the expenditure</u> | <u>Subsidy percentage</u> |
|----------------------------------|---------------------------|
| \$ 300                           | 60%                       |
| \$ 600                           | 70%                       |
| \$ 900                           | 75%                       |
| \$1200 or above                  | 80%                       |
- OR \$1 per copy of publication.
- (All publication should be calculated by using offset.)
- The amount of subsidy will be the smaller amount calculated by the amount subsidy or the per copy approaches.
- 13.6.3. There is no subsidy for this publication whose contents are:
- i) disclosing one's private life
  - ii) using obscene language and pictures
  - iii) personal attack
  - iv) untruthful or defamatory

#### **14. Union Central Reserve (*Appended in ECM3 2006*)**

The Reserve was established in 2006 as a buffering fund for the Budget System revised that year with an aim to provide comparatively stable subsidies generally unaffected by outside economic environment to Union sub-organizations each year through reducing the susceptibility of the Union financial position to short-to-mid term economics travail of Hong Kong.

Sources of the reserve include:

- 14.1. Any donation specified for the general development of student activities.
- 14.2. An annual transfer of an amount specified by the “Financial Resources Allocation Method” (FRAM).

General Management and Operations:

- 14.3. The Reserve shall be invested in an investment fund with a low volatility managed by an investment company or a bank.
- 14.4. The investment company or bank should submit monthly report regarding the performance of the fund, and the Finance Committee should study the report closely and report to the Union Council of any important details which may affect the effective operation of the Reserve materially.
- 14.5. An annual transfer from the Reserve to Independent Clubs Association Fund, Sports Association Fund, Cultural Association Fund, and Media Fund shall be made at the discretion of the Finance Committee in accordance with FRAM.
- 14.6. The balance of the Reserve shall, in any time, not exceed \$2,500,000 (base value in 2006) adjusted by the year-on-year percentage change in Consumer Price Index (A) of Hong Kong in February from the Census and Statistics Department, HKSAR according to the following formula:

**Newly adjusted Amount this year = Amount adjusted in the previous year x [1+year-on-year percentage change in Consumer Price Index (A) (Feb)]**

Any surplus in excess of the adjusted amount shall be transferred to the Global Balanced Fund in a manner which maintains the overall capital structure of the Union stipulated in FRAM.

- 14.7. The Financial Secretary shall keep a book of records tracking the adjusted amount and the year-on-year percentage change in Consumer Price Index (A) (Feb) each year. The newly adjusted amount shall be checked for accuracy every five years by the Finance Committee from the book record of the amount five years ago according to the following formula:

**Newly adjusted Amount this year = Amount in book five years ago x [1+ year-on-year percentage change in Consumer Price Index (A) (Feb) four years ago (CPI%4)] x [1+CPI%3] x [1+ CPI%2] x [1+ CPI% THIS YEAR]\***

*\*The historical year-on-year percentage change in Consumer Price Index (A) (Feb) shall be obtained from the Census and Statistics Department directly.*

### **15. Independent Clubs Association Fund (ICA Fund) (*Appended in ECM3 2006*)**

The ICA Fund was a virtual fund under the Union Central Reserve established to provide subsidy to Independent Clubs according to FRAM.

Sources of the reserve include:

- 15.1. An annual transfer of an amount specified by the “Financial Resources Allocation Method” (FRAM)
- 15.2. Any donation specified for the general development of Independent Clubs Applicants:
- 15.3. All Independent Clubs are eligible to apply for subsidies.

Criteria:

- 15.4. Activities in accord with the nature of the applying club shall be eligible.
- 15.5. General Expenses of the club shall be eligible.

Operation of the Fund:

- 15.6. Independent Clubs applying for subsidies shall submit their annual budget and their year plan to the ICA Council within one month after the adoption of the Union Annual Budget.
- 15.7. The amount of subsidy granted to each ICA club shall be determined by the ICA Council and approved by the Finance Committee.
- 15.8. The ICA Council, after being informed by the Finance Committee, should be responsible for sending written notifications to the applicants regardless of whether the Finance Committee has approved the application or not.
- 15.9. Any Independent Club objects against the amount of subsidy granted can appeal to the Union Council Chairperson if there are strong reasons to support the claim.
- 15.10. It is the sole discretion of the Union Council Chairperson to refer the case, either to the Finance Committee for reconsideration or the Union Council for the final decision, or to reject the requisition of the club altogether.

Should the amount approved by the Union Council be greater than the original amount, the extra amount shall be covered by first the balance remained in the ICA Fund and second the funding for contingency in the Union Annual Budget.

Should the amount approved by the Finance Committee after reconsideration be greater than the original amount, the extra amount shall be covered only by the balance remained in the ICA Fund.

Transfer of a portion of the approved amount to the applicant account shall be made according to the approved budget of the club after the submission of the financial report of the budget item related and the function’s report.

## **16. Sports Association Fund (SA Fund) (*Appended in ECM3 2006*)**

The SA Fund was a virtual fund under the Union Central Reserve established to provide subsidy to Sports Clubs according to FRAM.

Sources of the reserve include:

- 16.1. An annual transfer of an amount specified by the “Financial Resources Allocation Method” (FRAM).
- 16.2. Any donation specified for the general development of Sports Clubs.

Applicants:

- 16.3. All Sports Clubs are eligible to apply for subsidies.

Criteria:

- 16.4. Activities in accord with the nature of the applying club shall be eligible.
- 16.5. General Expenses of the club shall be eligible.

Operation of the Fund:

- 16.6. Sports Clubs applying for subsidies shall submit their annual budget and their year plan to the SA Council within one month after the adoption of the Union Annual Budget.
- 16.7. The amount of subsidy granted to each SA club shall be determined by the SA Council and approved by the Finance Committee.
- 16.8. The SA Council, after being informed by the Finance Committee, should be responsible for sending written notifications to the applicants regardless of whether the Finance Committee has approved the application or not.
- 16.9. Any Sports Club objects against the amount of subsidy granted can appeal to the Union Council Chairperson if there are strong reasons to support the claim.

It is the sole discretion of the Union Council Chairperson to refer the case, either to the Finance Committee for reconsideration or the Union Council for the final decision, or to reject the requisition of the club altogether.

Should the amount approved by the Union Council be greater than the original amount, the extra amount shall be covered by first the balance remained in the SA Fund and second the funding for contingency in the Union Annual Budget.

Should the amount approved by the Finance Committee after reconsideration be greater than the original amount, the extra amount shall be covered only by the balance remained in the SA Fund.

- 16.10. Transfer of a portion of the approved amount to the applicant account shall be made according to the approved budget of the club after the submission of the financial report of the budget item related and the function’s report.

## **17. Cultural Association Fund (CA Fund) (Appended in ECM3 2006)**

The CA Fund was a virtual fund under the Union Central Reserve established to provide subsidy to Cultural Clubs according to FRAM.

Sources of the reserve include:

- 17.1. An annual transfer of an amount specified by the “Financial Resources Allocation Method” (FRAM).
- 17.2. Any donation specified for the general development of Cultural Clubs.

Applicants:

- 17.3. All Cultural Clubs are eligible to apply for subsidies.

Criteria:

- 17.4. Activities in accord with the nature of the applying club shall be eligible.
- 17.5. General Expenses of the club shall be eligible.

Operation of the Fund:

- 17.6. Cultural Clubs apply for subsidies shall submit their annual budget and their year plan to the CA Council within one month after the adoption of the Union Annual Budget.
- 17.7. The amount of subsidy granted to each Cultural Club shall be determined by the CA Council and approved by the Finance Committee.
- 17.8. The CA Council, after being informed by the Finance Committee, should be responsible for sending written notifications to the applicants regardless of whether the Finance Committee has approved the application or not.
- 17.9. Any Cultural Club objects against the amount of subsidy granted can appeal to the Union Council Chairperson if there are strong reasons to support the claim.

It is the sole discretion of the Union Council Chairperson to refer the case, either to the Finance Committee for reconsideration or the Union Council for the final decision, or to reject the requisition of the club altogether.

Should the amount approved by the Union Council be greater than the original amount, the extra amount shall be covered by first the balance remained in the CA Fund and second the funding for contingency in the Union Annual Budget.

Should the amount approved by the Finance Committee after reconsideration be greater than the original amount, the extra amount shall be covered only by the balance remained in the CA Fund.

- 17.10. Transfer of a portion of the approved amount to the applicant account shall be made according to the approved budget of the club after the submission of the financial report of the budget item related and the function’s report.

### **18. Media Fund (*Appended in ECM3 2006*)**

The Media Fund was a virtual fund under the Union Central Reserve established to provide subsidy to Undergrad and Campus TV according to FRAM.

Sources of the reserve include:

- 18.1. An annual transfer of an amount specified by the “Financial Resources Allocation Method” (FRAM)
- 18.2. Any donation specified for Campus Media development.

Applicants:

- 18.3. Undergrad and Campus TV are eligible to apply for subsidies.

Criteria:

- 18.4. Activities in accord with the nature of Undergrad and Campus TV shall be eligible.
- 18.5. General Expenses of Undergrad and Campus TV shall be eligible.

Operation of the Fund:

- 18.6. Undergrad and Campus TV shall submit their annual budget and their year plan to the Union Council within one month after the adoption of the Union Annual Budget.
- 18.7. The amount of subsidy granted to Undergrad and Campus TV shall be a proportion in the Media Fund determined by the Council as recommended by the Finance Committee.
- 18.8. Transfer of a portion of the approved amount to the applicant account shall be made according to the approved budget of Undergrad or Campus TV after the submission of the financial report of the budget item related and the function’s report.

### **19. Capital Investment Fund (CI Fund) (*Appended in ECM3 2006*)**

The Fund was established in 2006 to finance the cost to acquire capital asset of the Union for its sub-organizations.

Sources of the reserve include:

- 19.1. Any donation specified for the capital investment of the Union.
- 19.2. An annual transfer of an amount that replenishes the fund back to an amount equivalent to its initial value (an amount with an equivalent buying power of \$200,000 in 2006)  
**Newly adjusted Amount this year = Amount adjusted in the previous year x [1+yearon-year percentage change in Consumer Price Index (A) (Feb)]**

Applicants:

- 19.3. All Union sub-organizations.

Criteria:

- 19.4. Capital assets required by corresponding clubs or societies shall be eligible.

General Management:

- 19.5. The Fund shall be invested in an investment fund with a low volatility managed by an investment company or a bank.

- 19.6. The investment company or bank should submit monthly report regarding the performance of the fund, and the Finance Committee should study the report closely and report to the Council of any important details which may affect the effective operation of the Reserve materially.
- 19.7. The balance of the Fund shall, in any time, not exceed \$200,000 adjusted by the year-on-year percentage change in Consumer Price Index (A) of Hong Kong in February from the Census and Statistics Department according to the following formula:  
**Newly adjusted Amount this year = Amount adjusted in the previous year x [1+year-on-year percentage change in Consumer Price Index (A) (Feb)]**  
 Any surplus in excess of the adjusted amount shall be transferred to the Global Balanced Fund in a manner which maintains the overall capital structure of the Union stipulated in FRAM.
- 19.8. The Financial Secretary shall keep a book of records tracking the adjusted amount and the year-on-year percentage change in Consumer Price Index (A) (Feb) each year.

The newly adjusted amount shall be checked for accuracy every five years by the Finance Committee from the book record of the amount five years ago according to the following formula:

**Newly adjusted Amount this year = Amount in book five years ago x [1+ year-on-year percentage change in Consumer Price Index (A) (Feb) four years ago (CPI%4)] x [1+ CPI%3] x [1+ CPI%2]x [1+ CPI% THIS YEAR]\***

*\*The historical year-on-year percentage change in Consumer Price Index (A) (Feb) shall be obtained from the Census and Statistics Department directly.*

- 19.9. The ownership of the asset(s) purchased shall belong to the Students' Union, whilst the administrative rights shall or shall not be granted to the applying sub-organizations as determined by the Finance Committee depending on the utilitarian value of the asset(s).
- 19.10. All applications shall be submitted to the Finance Committee explaining the reason(s) for acquiring the asset(s) and the Finance Committee shall review the applications according to the needs of the applying societies AND the overall benefits that the asset(s) will bring to other Union sub-organizations IF the asset(s) is/are owned and kept by the Union.
- 19.11. The grant to each society or club per annum shall not exceed the amount stipulated by the following rules:

Maximum grant to each Union sub-organization	\$4,000
Maximum total grant to all Sports Clubs	\$80,000
Maximum total grant to all Cultural Clubs	\$40,000
Maximum total grant to all Independent Clubs	\$40,000



Maximum total grant to all Hall Students Associations	\$40,000
Maximum total grant to all Faculty and Academic Societies	\$40,000

## **20. Investment Fund (Appended in ECM3 2006)**

To make provision for the establishment and management of an investment fund of the Union

- 20.1. There shall be established a fund to be called "the Investment Fund" which shall be managed by a bank or other financial institutions under the control of the Honorary Treasurer as advised by the Financial Secretary and shall be used primarily for such purposes as the Financial Secretary thinks fit maintaining the overall financial position of the Union.

(1A) In addition to using the Fund for its primary purpose, the Honorary Treasurer as advised by the Financial Secretary may, with a view to finance development of the Union and meet arising liability, use the Fund as he thinks fit to provide emergency funding to the Union.

(1B) The Honorary Treasurer, in using the Fund for the purpose specified in subsection (1A), shall have regard to the primary purpose of the Fund.

- 20.2. The management fee of Fund shall be paid by the Fund itself.
- 20.3. Where the Honorary Treasurer as advised by the Financial Secretary is satisfied that such transfer is not likely to affect adversely his ability to fulfill any purpose for which the Investment Fund is required to be or may be used under section 20(1) or (1A), he may, after consulting the Finance Committee, and with the prior approval of the Council, transfer from the Fund to the Union Central Reserve a sum stipulated by FRAM.

## **21. Media Loan Fund (Amended in CM7 2010)**

- 21.1. Background: There is a long-standing hardship in maintaining the daily operations of the Campus Media of the Union with high requirement of cash but last reimbursement of such payments. Campus Media shall receive their subsidies from Media Fund as given by the Financial Regulation Section III Part 18. However, due to the limitation of late Union Budget approval and adoption, this fund serves as a measure to provide a temporary source of capitals before the adoption of Union Budget.
- 21.2. Undergrad and Campus TV are eligible to apply for subsidies.
- 21.3. The media loan is open for application from the start of each Union Session till the adoption of the Union Budget.
- 21.4. The outstanding amount of the media loan should not exceed half of the average of allocated amount to the Media Fund of the Union Budget of the previous 3 Union Sessions.

- 21.5. The loan to applicant per application should not exceed \$10,000.
- 21.6. The amount of the loan is subject to the discretion of the Finance Committee which will consider individual application under the following criteria:
  - 21.6.1. Necessity of the Union sub-organization for financial assistance;
  - 21.6.2. Only the amount that the committee members consider the applicants can have the capacity to return would be loaned.
- 21.7. The applicants has to repay the Union, if the media loan granted for the applicant is greater than the allocated amount to the Media Fund of the Union Budget of the Union Session within 3 months after the adoption of Union Budget.
- 21.8. The Chairperson of Campus TV and the Editor-in-Chief of Undergrad should be the liaison person whatever matter arises concerning the loan between the respective organization and the Union.
- 21.9. The total amount of grants through the Media Loan Fund will be reimbursed by the Media Fund automatically. In case the allocated amount to the Media Fund of the Union Budget of the Union Session is smaller than the Media Loan Fund, the applicants shall repay the excess amount according to 21.7 of this section.

## **22. Electoral Subsidy (*Amended in CM11 2009*)**

To subsidize each candidate in the Election organized by the Union Elections Committee.

### **22.1. Applicants:**

All candidates in the Election organized by the Union Elections Committee.

### **22.2. Criteria for application:**

- 22.2.1. Only expenses relating to the election affairs of the candidate would be considered.

### **22.3. Applications:**

- 22.3.1. Applicants shall submit all supporting documents regarding the expenses within one month after the announcement of the election result.

### **22.4. The maximum amount granted per candidate in each election shall be announced one week after the closure of nomination.**

The exact amount depends on the overall financial situation and the amount spent by the Union Elections Committee in other aspect relating to the Election. The Financial Committee shall be responsible for the recommendation for the maximum grant. The maximum grant shall be subjected to the approval by the Union Council.

## **SECTION IV**

### **BUDGET SYSTEM**

#### **1. Policy**

- 1.1. The term fiscal year shall mean the period from January 1 to December 31 of the same year, while the term financial session shall mean the official term of every executive committee of the Union sub-organization holding their office. *(Amended in CM6 1996)*
- 1.2. In general the Union will try to provide money to implement the policies of the Union Executive Committee, Union Council, Undergrad, Campus TV and for Union affiliated sub-organizations to help carrying out its characteristic activities. No money will be provided for personal purpose. *(Amended in CM6 1996)*
- 1.3. Items in the budget are strictly non-transferable except by Finance Committee's recommendation and approval of the Union Council. *(Amended in CM6 1996)*
- 1.4. Funding/ Subsidy in excess of the budget provision shall ONLY be granted at the discretion of the Finance Committee by applying to the contingencies.
- 1.5. Budget for any given session is designed to cover expense incurred during that session irrespective of when the actual payment has been made.
- 1.6. Budget for each fiscal year should be prepared before the end of that fiscal year. *(Amended in CM12 2009)*

#### **2. Responsibility and Decision Body**

- 2.1. The SA, CA, ICA Union Central Executive Committee should be responsible for their budget items.
- 2.2. The Union Council should be responsible for the approval and revision of the Union Budget based on overall financial consideration.
- 2.3. Any problem that is the responsibility of a different level of decision body will be referred back to that decision body during the course of budget adoption.

#### **3. Budget Format** *(Amended in CM5 2013)*

- 3.1. The Union Budget shall be in the form of an income statement. Item 3.2.2.3 and 3.2.2.6 must be categorized and presented with a separate budget.
- 3.2. The budget shall normally include the following items under different headings:
  - 3.2.1. Income:
    - 3.2.1.1 Subscriptions and fees
    - 3.2.1.2 Gain in Members' services
    - 3.2.1.3 Interest on bank deposits
    - 3.2.1.4 Estimated Investment Income
  - 3.2.2. Expenditure:
    - 3.2.2.1 Staff costs

- 3.2.2.2 Utility charges
- 3.2.2.3 Administrative expenses
- 3.2.2.4 Audit fee
- 3.2.2.5 Subsidies to presidents
- 3.2.2.6 Union Council and Union Executive Committee
- 3.2.2.7 Subscription to Hong Kong Federation of Students
- 3.2.2.8 Contingencies expenses

A current provision will be made for contingencies, to meet both recurrent and capital requirements, of about 5% of the total budget income. Any expenses that do not fall into the categories under 3.2.2 or their sub-categories as shown in the Union Budget are considered as contingencies expenses:

- 3.2.2.8.1 The Contingencies account will act as a reservoir for the financial system and is designed to cover any necessary unforeseen emergency;
- 3.2.2.8.2 It will be under the direct control of the Financial Committee. It can be applied by all Union sub-organization and all application must be scrutinized and approved by the Finance Committee
- 3.2.2.9 Repair and Renewal of Union Properties
- 3.2.2.10 Fund Expenses (*Appended in CM8 2011*)
- 3.2.2.11 Loss in Members' services

The item shall be calculated on the basis of the average annual cost to up-keep and maintain the Union Properties. (Other than items under the control of individual clubs and Union sub-organizations)

### 3.3. Operating Deficit

### 3.4. Transfer to Specific Funds

- 3.4.1. A transfer of not less than 5% of recurrent income shall be made to Union Development Fund. (*Amended in CM15 1998*)
- 3.4.2. A transfer of not more than \$3,000 from recurrent income of the Union to the Jordan Memorial Information Centre Fund.
- 3.4.3. Transfer of not less than \$10,000 from the recurrent income of the Union to the Triennial Intervarsity Games Fund.
- 3.4.4. Transfers to Union Journal Fund, Education Fund, Academic Fund and Capital Investment Fund. Amounts of them shall be based on their regulations and decided by the Union Council.
- 3.4.5. Transfers to Union Central Reserve, SA Fund, CA Fund, ICA Fund, and Campus Media Fund shall be in accordance with FRAM. (*Appended in ECM3 2006*)
- 3.4.6. Deficit for the Year
- 3.4.7. Any other items deemed necessary by the Union Council

#### **4. Course of Budget Adoption**

##### **4.1. Estimated Union Budget**

- 4.1.1. At the beginning of each Financial Year, the Financial Secretary shall estimate according to historical information, the advice from the Honorary Treasurer, the opinions from related parties (e.g. Union Executive Committee) or calculate according to the computation method specified the amounts of each items in the Budget and propose to the Union Council the Estimated Union Budget for adoption after considering the financial situation of the Union and the policy of the Union Executive Committee.
- 4.1.2. After the adoption of Estimated Union Budget, the Union, SA, CA, and ICA Central Executive Committee should have resolved their budget items, which should be consistent with the Estimated Union Budget.

##### **4.2. Union Budget**

- 4.2.1. The Financial Secretary, after reconsidering the actual financial situation and the opinion of the Union Council, should propose to the Union Council the Union Budget for adoption.
- 4.2.2. The Union Budget should be made based on the Estimated Union Budget.

## 5. **Budget Standards**

### 5.1. Principle

- 5.1.1. Owing to the limited income of the Union, drastic cuts to Union subsidy are sometimes inevitable. If an item is cut, it does not mean that the Union Council considers it unnecessary, but rather that the Union cannot afford it. Cuts will be made (if necessary) by reference to the overall request. *(Amended in CM6 1996)*
- 5.1.2. Every budget drafted by Union sub-organizations should include all sources of estimated income other than expected Union subsidy.
- 5.1.3. Reserve Fund of Union sub-organizations will be taken into account when considering their budgets.
- 5.1.4. Preference will be given to indispensable items.
- 5.1.5. Budget requests under "miscellaneous" must be itemized.
- 5.1.6. Sub-organizations should follow the budget standards of respective bodies (SA, CA and ICA). *(Amended in CM4 2011)*

### 5.2. Budget Standards adopted for ICA (maximum)

- 5.2.1. The size of a club is determined by the number of members possessed by the club. The amount of subsidy will be governed by the size of the club.  
*(Amended in CM10 2013)*

<u>Number of members</u>	<u>Size of a club</u>
300 or more	Large
150 - 299	Medium
less than 150	Small

### 5.2.2. Maximum subsidy for individual items.

#### 5.2.2.1 Stationery and postage.

It includes:

- i) stationery for general use and activities / functions organized (An additional "Stationery" item for special functions will not be allowed unless absolutely necessary);
- ii) postage in local correspondence;
- iii) preparation of bulletin *(Amended in CM3 2003)* Maximum subsidy depends on the size of the club / society:

Large	\$800.00
Medium	\$700.00
Small	\$600.00

#### 5.2.2.2 Publication

It includes:

- i) publication of the periodicals for members,

- ii) publication of data  
subsidy depends on the size of the club / society:
- |        |                       |
|--------|-----------------------|
| Large  | \$500 per publication |
| Medium | \$400 per publication |
| Small  | \$300 per publication |

OR \$1.5 per copy of publication

The amount of subsidy will be the smaller one calculated by using per publication or per copy approaches. (*Amended in CM3 2003*)

#### 5.2.2.3 Annual Journal (*Amended in CM3 2003*)

The subsidy includes publication and local postage of the annual journal.  
Maximum subsidy is \$2000

#### 5.2.2.4 Reference material (*Amended in CM3 2003*)

This subsidy is **ONLY** for material that is vital to the proper functioning of a club / society.

It includes:

- i) photocopy of material;
- ii) cost of periodicals that are vital to the functioning of the club/society and cannot be borrowed or photocopied or its usefulness and availability is related to time.

#### 5.2.2.5 Transportation

Subsidy for following two purposes only

- a) for materials, the maximum subsidy is \$100.00 per function
- b) for pre-trip, within Hong Kong, the maximum subsidy is
  - i. \$12 per person, OR
  - ii. \$48 per function
- c) for pre-trip, outside Hong Kong and within Shenzhen, the maximum subsidy is
  - i. \$24 per person, OR
  - ii. \$96 per function
- d) for pre-trip, outside Hong Kong and Shenzhen, the maximum subsidy is
  - i. \$150 per person, OR
  - ii. \$600 per function

The amount of subsidy will be the smaller one calculated by using per person or per function approaches.

- e) Any function that generates expected net income has no subsidy on transportation (*Amended in CM3 2003*)

#### 5.2.2.6 Souvenir (*Amended in CM3 2003*)

Souvenir is for:

- i) guest speakers or moderators of talks,
- ii) winners of open competitions,
- iii) judges of open competitions,
- iv) advisors, patrons and honorary presidents of a club/society,
- v) guests, performers of large functions or annual performance,  
maximum subsidy is \$20 each souvenir, \$300 for souvenirs in a  
function.

5.2.2.7 Refreshment (*Amended in CM3 2003*)

- a) This subsidy is for
  - i) guest speakers of talks
  - ii) judges of open competitions
  - iii) guest performers of large or annual performance
- b) The maximum subsidy is \$7 per person; the maximum subsidy is \$70 per  
function, the amount subsidized will be calculated with the smaller sum
- c) Meeting – nil

5.2.2.8 Tuition/Coaches Fee (*Amended in CM3 2003*)

- i) The subsidy is for courses that require certain experts.
- ii) The maximum subsidy will be \$5,000 per fiscal year for each  
club/society or the one-third of the amount needed. The amount of  
subsidy will be the smaller amount calculated.
- iii) The information (e.g. experience, certificate, cost, etc.) of three  
candidates of tutors /coaches should be submitted to the ICA Finance  
Committee for reference unless upon the approval of the ICA Finance  
Committee or any other higher authority.

5.2.2.9 Affiliation Fee, Registration Fee (*Amended in CM3 1996*)

- i) Full subsidies will be given to those fees that are not exceeding \$1,100.  
As for those fees exceeding \$1,100. Subsidy can either be \$1,100, or  
one-third of the total amount.
- ii) The subsidy is ONLY for those fees that is vital to the proper  
functioning of a club/society.



5.3. Budget standards adopted for SA (maximum)

5.3.1. Stationery, postage and photocopy (*Amended in CM3 1996*)

5.3.2. Refreshment for:

- i. University team members participating for open league matches or friendly matches.
  - a. Maximum \$6 per head (max \$120) (*Amended in CM4 1997*)
  - b. 2 bottles of distilled water per person.
  - c. Maximum subsidy is \$7.2 per person, \$144 per function, taking the smaller amount. (*Amended in CM4 1997*)
- ii. Friendly matches in which the University of Hong Kong as host for visiting team players and judges
  - a. 1 bottle of distilled water per person
  - b. Maximum subsidy is \$3.6 per person, \$72 per function, taking the smaller amount. (*Amended in CM4 1997*)
- iii. Meeting: NIL  
Vouchers submitted must specify the number of persons attending the function. (*Amended in CM4 1997*)

5.3.3. Souvenir to patron / vice-patron \$25 per head  
(restricted to those who have subsidy for the club)

5.3.4. Souvenir to outside helpers (i.e. non-Union or University staff members and visiting teams), for individual/group \$25 each. (*Amended in CM3 1996*)

5.3.5. Subsidy for laundry: NIL

5.3.6. Subsidy to prizes not exceeding \$10 per prize in all competitions. (Excluding the individual championship and runners-up in the Annual Athletic Meet and Aquatic Meet.)

For change in mould design, no subsidy will be given. (*Amended in CM3 1997*)

5.3.7. Subsidy to fees:

1. Affiliation & Registration fees for clubs \$ 1,100 each
2. Competition entrance fees for teams \$ 1,100 each

Full subsidies will be given to those fees that are not exceeding \$1,100. As for those fees exceeding \$1,100, subsidy can either be \$1,100 or one-third of the total amount. (*Amended in CM3 1996*)

5.3.8. For coach/tuition fees:

Subsidy of one-third of the amounts, or the balance of the total amount and other subsidies, whichever is less, are given to all clubs.

5.3.9. The Union subsidizes balls and shuttlecocks at minimum regulation requirement for inter-hall and inter-faculty matches, representatives matches and University-team practice. (*Amended in CM6 1996*)

- 5.4. Budget standard adopted for estimation of item staff salaries and superannuation
- 5.4.1. The same method of salary adjustment for all Union staff should be adopted (Refer to Staff Regulations)
  - 5.4.2. The budget item staff salaries and superannuation includes the staff of Union Office and information centre. For the staff of Co-operative Store and Photocopying Centre, this item is separately stated in the Co-operative & Photocopying Centre accounts perceptively.
  - 5.4.3. Twice salary adjustment are made in January 1. (*Amended in CM3 1998*)
  - 5.4.4. A bonus is allowed in January and the method is follows:
    - i. The addition of no more than three increment points will be entitled to every employee according to the point system in the staff regulations. (*Amended in CM3 1998*)
    - ii. The amount adjusted for every staff should be proposed by the Union Executive Committee of the previous Union Session in view of the job performance of the staff. (*Amended in CM6 1996*)
  - 5.4.5. An overall salary adjustment in percentage is also allowed in January so as to beat the inflation rate under the constraint of the Union Budget. The percentage should be proposed by the Union Executive Committee of the previous Union Session. Any changes in this percentage can be made by the present Union Executive Committee provided that the Union Council is informed and the budget item is not in excess. (*Amended in CM3 1998*)

## **SECTION V**

### **ANNUAL FINANCIAL REPORT** *(Amended in CM6 1996)*

1. The audited Statement of Account and Balance Sheet of the Financial Year of the previous Union Session shall be submitted to the Union Council for adoption. The audited statement shall be scrutinized by the Finance Committee, and if any Union Committee or sub-organization incurs expenditure not covered by the approved estimates of expenditures as stated in the Budget, then the members of the Committee or the officers of the Union sub-organization concerned shall be jointly responsible for the debt, unless the Union Council approves otherwise.
2. At the close of each financial session, each Union sub-organization shall submit a financial report to the Financial Secretary showing all its transactions for the session, together with such vouchers and explanations as the Finance Committee may require. The Union sub-organizations of the Faculty Societies, SA, CA and ICA shall submit their reports to their respective Councils' finance committees, then these finance committees shall submit the reports to the Finance Committee. *(Amended in CM4 2003)*

## **SECTION VI**

### **ASSET AND INVESTMENT**

#### **1. Principle**

- 1.1. All properties bought by the money of the Union are properties of the Union.
- 1.2. All purchase of equipment will be regarded as revenue expenditure except those under the description of 2.4.1 of this section.
- 1.3. Union Properties may be entrusted to Union sub-organizations.

#### **2. Assets**

- 2.1. Assets of the Union mainly consist of fixed assets such as Union possessed accessories in the Union Headquarters, and financial assets in the form of securities, bank deposit, etc.
- 2.2. The Administrative Secretary of the Union is responsible for the proper maintenance of the fixed assets mentioned in 2.1 above.
- 2.3. The financial assets are responsible by the Finance Committee that will review the investment portfolio accordingly.
- 2.4. Depreciation:
  - 2.4.1. All fixed assets of an amount greater than \$10,000 are subject to depreciation;
  - 2.4.2. Depreciation should be charged as recurrent expenditure to the income and expenditure account;
  - 2.4.3. Depreciation should follow the straight-line basis;
  - 2.4.4. The rate of depreciation should be determined by the Administrative Secretary.

#### **3. Investment**

- 3.1. Investment should be made so that the value of our financial asset will not decrease in real terms.
- 3.2. Investment of the Union should aim at both capital gain and interest income.

## **SECTION VII**

### **ACCOUNTING PROCEDURE**

#### **1. Banking Account**

All banking account of the Union and its sub-organizations must be opened at the Hongkong and Shanghai Banking Corporation Limited unless the Finance Committee approves the otherwise.

*(Amended in CM2 1998)*

#### **2. Income *(Amended in CM8 2011)***

Sources of Income:

- 2.1. The main sources of Union income include: Union subscription, new membership fees, interests and dividends, profits from photocopying machines, Co-op and printing section.
- 2.2. All income from fund-raising activities (including Annual Ball, Book Exhibition, etc.).
- 2.3. The subscription fees received for the year shall be deferred to the budget of next year.
- 2.4. No place shall be rent to any external organization, but after considering the interest of the Union, external organization can be approved to occupy the places managed by the Union; such approval shall be written in a contract form together with the conditions that the Union can benefited from. *(Appended in CM8 2011)*
- 2.5. Save with the permission of the Union Council, contract involving allowing external organization to occupy the places managed by the Union shall go through the Tender Process. *(Appended in CM8 2011)*

#### **3. Expenditure *(Amended in CM8 2011)***

- 3.1. All expenditures must be supported by relevant documentary evidence e.g. invoices, receipts. Expenditures not supported by relevant documents will not be reimbursed unless certified by relevant office bearers. (refer to article 4 of the same section)
- 3.2. All transactions must be certified by relevant vouchers.
  - 3.2.1. **A-Form:** Payment against invoice or befit note;
  - 3.2.2. **B-Form:** Reimbursement against receipt invoice (or other the acceptable evidence of expenditure);
  - 3.2.3. **C-Form:** Application of cash in advance (no more than 50% of particular item);
  - 3.2.4. **D-Form:** Accounts for expenditure against C-Form;
  - 3.2.5. **E-Form:** Payment / Refund to the Union. *(Amended in CM6 1996)*
- 3.3. All vouchers drawn must be filled in and signed by the Responsible Person(hereinafter "RP") who shall be:
  - 3.3.1. The Chairperson of the Union Council, or
  - 3.3.2. The Chairperson of a Union Council Committee, or
  - 3.3.3. A Union Executive, or

- 3.3.4. Popularly Elected Union Councillor, or\
- 3.3.5. A Union Staff, or
- 3.3.6. The Financial Secretary of the sub-organization concerned, or
- 3.3.7. An officer approved by the Finance Committee
- 3.4. Save with the permission of the Union Council, no transaction shall be declared valid unless with the dual approval of the Honorary Treasurer and the Financial Secretary (or the President of the Union, in case the Financial Secretary is the RP).
- 3.5. Vouchers drawn for publications must be accompanied by a copy of the publication for Finance Committee record.
- 3.6. Save with the permission of the Finance Committee, any expenditure with the amount of more than \$10,000 and less than or equal to \$50,000 shall be approved unless:
  - 3.6.1. More than three written quotations are obtained, or
  - 3.6.2. More than ten written quotation request is made, or
  - 3.6.3. Sufficient explanations for cannot complying 3.7.1 and 3.7.2 is written to the Financial Secretary and approved by the Honorary Treasurer, with the recommendation of the Financial Secretary.
- 3.7. Save with the permission of the Union Council, any expenditure with the amount of more than \$50,000 shall be approved unless:
  - 3.7.1. Tendering procedure is executed, or
  - 3.7.2. Sufficient explanation for not issuing tender is written to the Finance Committee and approved by the Tender Board, with the recommendation of the Finance Committee.
- 3.8. For exemption approval in 3.4, 3.6, 3.6.3, 3.7 and 3.7.2, the respective officer/authority shall make a formal decision (in letter/motion) specifically for each single transaction.
- 3.9. Where written quotations are required,
  - 3.9.1. The RP shall obtain at least three written quotations and suppliers shall follow the instructions and return their quotations in sealed envelopes marked 'RESTRICTED (QUOTATION)', by facsimile, or by e-mail to their official officer/society e-mail account, by a specified time;
  - 3.9.2. The RP shall ensure there are adequate security measures to prevent leakage of quotation information or loss of quotations submitted by hand, facsimiles, e-mail or post. For quotations submitted by the facsimile, it should send to the Union facsimile number. No quotations by facsimile shall be allowed for Union sub-organizations;
  - 3.9.3. The RP should collect, date-stamp, and initial the quotations after the closing time, and to record all bids received (including nil returns) on the Quotation Sheet (F-Form) and pass them to the respective Executive Committee (or equivalent/higher authority) for her decision;

- 3.9.4. The Quotation Closing Date shall be no less than 5 working days (not including Saturdays) after the issue of quotation invitation, and shall be the same for all suppliers invited;
- 3.10. Save with the permission of the Finance Committee, the lowest quotation shall be selected, unless sufficient explanations is written to the Financial Secretary and approved by the Honorary Treasurer, with the recommendation of the Financial Secretary.

#### **4. Certificate-in-Lieu of Suppliers' receipt**

- 4.1. This form is only to be used when a lack of receipt is inevitable.
- 4.2. No Cert-in-Lieu may be submitted for purchase of \$200 or more without the approval of the Finance Committee.
- 4.3. Subsidy for transportation reimbursed by a cert-in-Lieu should be itemized with dates\_ clearly shown.

#### **5. Procedure**

- 5.1. All vouchers drawn must be submitted to the Financial Secretary for approval before submitted to the Honorary Treasurer for payment.
- 5.2. A payment advice will be sent to the payee at the issue of a cheque if payment is approved. Payment can only be made within six months of the issue of the cheque.
- 5.3. An official receipt will be issued by the Honorary Treasurer when payment to Union is received. The Honorary Treasurer may delegate this responsibility to the Financial\_ Secretary, Executive Office or Administrative Assistant.

#### **6. Time Control**

- 6.1. The date of submission of vouchers and payment advice must not exceed 3 months of the date of purchase or date of expenditure.
- 6.2. Refunds to the Union against D-Form must be within 2 months of C-Form drawings.
- 6.3. No further voucher against the budget concerned will be accepted by the Financial Secretary until all D-Form due have been received.
- 6.4. Expenditure against budget must be requested by vouchers to the Financial Secretary as soon as possible and in any event not later than December 31 of the year. Written notification must be given to the Financial Secretary not later than December 31 of the current year if outstanding order for which invoices has not been received. The same applied to any outstanding debtor, that is, any not yet received by the end of the year.\_  
(Amended in CM6 1996)

#### **7. Petty Cash**

- 7.1. A separated petty cash book will kept for record purpose.
- 7.2. A sum of \$3,000 shall be kept at the Union Office by the book-keeper for petty expenditure.
- 7.3. Petty cash payment can only be claimed by the Union Executives and it has to be filed in forms, and the appropriate vouchers should be returned to the Union bookkeeper within two days. (Amended in CM6 1996)
- 7.4. The maximum amount claimed each time should not exceed \$300 unless with the\_ permission of Financial Secretary.



7.5. A sum of \$4,000 will be kept in the Co-op attendant for exchange purpose.

7.6. *(Repealed in CM8 2011)*

## **8. Stock and equipment record**

### **8.1. Fixed Asset**

8.1.1. The Administrative Secretary shall keep a listed record of Union Properties.  
*(Amended in CM6 1996)*

8.1.2. All purchase of equipment of SA, CA and ICA must be numbered and recorded in an inventory book maintained by the financial secretary of SA, CA and ICA respectively. *(Amended in CM4 2011)*

8.1.3. The inventory book must be examined and certified by the Financial Secretary yearly (at taking over of the sub-organizations). *(Amended in CM6 1996)*

8.1.4. Written explanation must be given for any damage or loss, which will be numbered and recorded in the inventory book for reference.

8.1.5. The executive committees of SA, CA and ICA Union sub-organizations shall each keep an inventory record of her society's equipment. At the end of each financial year, the financial secretary of Union sub-organizations will submit the inventory book to the Financial Secretary for certification. No budget for equipment will be provided until the Financial Secretary has certified the inventory book. *(Amended in CM4 2011)*

### **8.2. Stock**

8.2.1. The periodic inventory system should be adopted and periodic physical stock taking be carried out to estimate the value of inventory at the end of each period.

8.2.1.1 Stock of Union Co-operative shall be taken at the end of June and December each year. *(Amended in CM4 2011)*

8.2.1.2 *(Repealed in CM5 2008)*

8.2.1.3 Stock of Photocopying Service Centre shall be taken monthly.

8.2.2. Weighted Average of stock valuation should be used. *(Amended in CM4 2011)*  
The stock valuation system was changed from First in, first out method to Weighted Average in 2007.

### **8.3. Purchase and Sales record**

8.3.1. All purchase must be recorded in an order book.

8.3.2. All sales must be recorded in a sales book quarterly.

## **SECTION VIII**

### **REGULATIONS GOVERNING FUND-RAISING FUNCTIONS**

All fund-raising functions shall seek the approval of the respective finance committee. (*Amended in CM6 1996*)

#### **1. Definition**

- 1.1. "Function" shall mean a public ceremony or an event. It can be part of a series of activities designed or organized for a common theme, e.g. publication of journals, programmes or the like.
- 1.2. "Fund-raising function" shall mean any function (as mentioned above) organized with the aim of making profit and with expected or actual net income return exceeding \$1,500 (e.g. Annual Ball, Book Exhibition, etc.). (*Amended in CM8 2011*)
- 1.3. "Agent" shall mean any person or organization outside the Union, acting on behalf of the Union or its sub-organization, soliciting advertisement, patronage, donation, sponsorship or selling of tickets (except URB TIX) etc. which will obtain monetary advantage in the course.

#### **2. Control**

- 2.1. No agents are allowed in any function
- 2.2. No fund-raising function as defined in Article 1. can be done without the written consent of the Union Finance Committee. (*Amended in CM3 1998*)
- 2.3. In case of charity fund-raising function, application should be submitted to the Union Finance Committee directly for its approval with the recipient(s) of the fund stated very clearly. Also a member of the Finance Committee shall be appointed in the meeting as the Honorary Auditor of the function. (*Amended in CM3 1998*)
- 2.4. Whenever sales of equipment, services or consumable goods (e.g. books and compact discs) are involved in a function, application, including information of the sales (e.g. name of suppliers, commission, dates and places, etc.), should be submitted to the Financial Secretary or scrutiny at least four weeks before commencement, and the Chairperson of Union Executives, Campus Media or the Union sub-organization shall be responsible for the audit of the financial report, which shall be submitted to the Union Finance Committee within 4 weeks upon completion. (*Amended in CM5 2013*)

#### **3. Procedure**

- 3.1. Application for holding fund-raising functions:
  - 3.1.1. Union Executives, Campus Media or any Union sub-organization, except those of Faculty Society, SA, CA and ICA wishing to organize fund-raising function

should mention its wish explicitly in the proposal in general and apply to the Finance Committee at least 6 weeks before the function is held, except if the function is held for the relief work of some emergency work (please refer to paragraph 3.8 of the same section). (*Amended in CM5 2013*)

- 3.1.2. All the Union sub-organization of Faculty Society, SA, CA and ICA which wishing to organize fund-raising functions should apply to the finance committees of their respective Councils 6 weeks before the functions are held, and the power to approve or disapprove these fund-raising functions rests on the Councils of the above four. (*Amended in CM4 2011*)
  - 3.1.3. The finance committees of the Council of the Faculty Society, SA, CA and ICA should report to the Finance Committee within a week for each approved or declined application. (*Amended in CM8 2011*)
  - 3.1.4. The Finance Committee retains the power to review and overrule all the decisions made by the other Councils.
- 3.2. The following information shall be supplied to the Finance Committee when application is made:
- a. Aim;
  - b. Nature (including the form and the method);
  - c. Estimated income and expenditure details;
  - d. Estimated surplus and its usage;
  - e. Proposed annual budget;
  - f. Date, time and the place where the function is to be held;
  - g. Estimated no. of participants involved in the function;
  - h. Up-dated bank statement(s).
- 3.3. The Finance Committee should scrutinize the proposed plan for the purpose of ensuring the aim of the fund-raising function is legitimate and proper and the budget is adequately prepared.
- 3.4. The Finance Committee, after receiving the details, may ask for further information if required. If the Finance Committee finds the proposed plan satisfactory, a written consent will be sent to Union Executives, Campus Media or the Union sub-organization concerned and they may carry out its plan. (*Amended in CM5 2013*)
- 3.5. An interim report of the progress of the function may be required by the Finance Committee, provided that a prior notice of 14 days is given for preparation. The interim report shall include:
- a. Actual income and its source(s);
  - b. Unsecured income and its source(s);
  - c. Actual expenditure;
  - d. Any form of publication or publicity made.

- 3.6. If the plan is rejected by the committee, Union Executives, Campus Media or the Union sub-organization must stop all the organizing work. Appeal can be made by writing to the Union Council. *(Amended in CM5 2013)*
- 3.7. Financial Report on fund-raising function  
After the fund-raising function has been carried out, Union Executives, Campus Media or the Union sub-organization must report to the Finance Committee within 4 weeks. In case of charity fund-raising function, it should be audited by the Honorary Auditor beforehand. The report shall include:
- a. The actual income and its source(s);
  - b. The total expenditure;
  - c. The amount of surplus;
  - d. The usage of the balance;
  - e. The list of advertisers, patrons, donors, sponsors, and/or advisor of the function;
  - f. One copy of each publication of the function.
- 3.8. Charity Fund-raising Functions for the relief work of some emergency issue:
- 3.8.1. Application shall be submitted to the Finance Committee direct within four weeks after that issue happened. *(Amended in CM6 1996)*
  - 3.8.2. No function can be held before its submission or notification of application.
  - 3.8.3. Usually, the application shall be approved by way of ratification; however, in case there shall be controversies raised by a member of the Finance Committee within the one-week circulation period, a meeting shall be held within ten days' time afterwards.
  - 3.8.4. Paragraph 2.3, 3.5, 3.6 and 3.7 above shall also be applicable under this case.
- 3.9. Each Union sub-organization can at most organize ONE fund-raising function each session, excluding charity fund-raising functions, unless with the approval of Finance Committee. *(Amended in CM6 1996)*
- 3.10. The Finance Committee reserves the power of final adoption of fund-raising reports of Union Executives, Campus Media or Union sub-organizations. *(Amended in CM5 2013)*
- 3.11. If Union sub-organizations has carried out the fund-raising function with actual net profit more than \$1,500 without application: *(Amended in CM5 2013)*
- i. Union Executives, Campus Media or Union sub-organizations shall submit an audited financial report to the Finance Committee within 2 weeks of the completion of the activities.
  - ii. Union Executives, Campus Media or Union sub-organizations shall also explain the usage of the profits.

## **SECTION IX**

### **REGULATIONS GOVERNING THE COMMERCIAL BOOTH CO-ORGANIZED BY THE ADMINISTRATIVE SECRETARY AND A UNION SUB-ORGANIZATION**

*(Amended in CM7 1995)*

#### **1. Definition**

- 1.1. "Commercial Booth" shall mean promotion counters which promote the products of any external agents, excluding for charity purpose.
- 1.2. "Promotion Program" shall mean the Commercial Products Promotion Program in which Commercial Booth(s) are involved.
- 1.3. "Sub-organization" shall mean the Union sub-organization which co-organize the commercial Booth with the Administrative Secretary. *(Amended in CM6 1996)*
- 1.4. "Academic Function" shall mean the activities organized by and of the same nature of the Sub-organization and to promote academic atmosphere.

#### **2. Control**

- 2.1. Sub-organization can only organize Commercial Booths jointly with Administrative Secretary.
- 2.2. The Promotion Program shall satisfy the following conditions:
  - 2.2.1. Not less than three Commercial Booths should be included in the Promotion Program at the same time.
  - 2.2.2. The nature of the products of the Commercial Booths in the Promotion Program should STRICTLY match with the aims and nature of the Sub-organization.
  - 2.2.3. The surplus of the Promotion Program should be accumulated in the Academic Fund of the Union. The Sub-organization should be granted from the Academic Fund at most 40% of the actual total surplus to organize its Academic Function(s). The binding of the maximum subsidy to Union sub-organizations of the Academic Fund should be exempted here. *(Amended in CM6 1996)*
  - 2.2.4. The Sub-organization should use the surplus on Academic Function(s) which held six months after the Commercial Booths. The budget of the Promotion Program and the Academic Function(s) should be adopted by the Finance Committee.

#### **3. Procedure**

- 3.1. Application for holding Commercial Production Promotion Program:
  - 3.1.1. Any Union sub-organization wishes to co-organize Commercial Booths with the Administrative Secretary should mention its wish explicitly in the proposal of the Promotion Program and the Academic Function(s), with the budgets of both, to the Administrative Secretary. *(Amended in CM6 1996)*

- 3.1.2. The application should be sent to the Administrative Secretary at least 9 weeks before the Commercial Booths are to be held.
- 3.2. The following information shall be supplied to the Administrative Secretary when application is made: *(Amended in CM6 1996)*
  - 3.2.1. The following information of the Promotion Program:
    - a. Aims;
    - b. Nature of the Products of the Commercial Booths;
    - c. Estimated income and expenditure in details;
    - d. Proposed annual budget;
    - e. Date, time and the venue where the Promotion Program is to be held;
    - f. Estimated number of participants involved in Promotion Program;
    - g. Up-dated bank statement(s).
  - 3.2.2. The information of the Academic Functions required for the application of the Academic Fund as provided for in the respective section in this Financial Regulation.
- 3.3. The Administrative Secretary should scrutinize the proposed plan for the following: *(Amended in CM6 1996)*
  - 3.3.1. The aims and nature of the Commercial Booths STRICTLY matches with the aims and nature of the Union sub-organization. *(Amended in CM6 1996)*
  - 3.3.2. The resources required for the Promotion Program are available.
- 3.4. After the Administrative Secretary finds the proposed plan of the Promotion Program satisfies the two conditions above, he should submit the proposal to the Finance Committee at least 7 weeks before the Commercial Booths are to be held. *(Amended in CM6 1996)*
- 3.5. If the Administrative Secretary rejects the plan, the Union sub-organization must stop all the organizing work. Appeal can be made by writing to the Union Executive Committee. *(Amended in CM6 1996)*
- 3.6. After the Finance Committee receives the proposal submitted by the Administrative Secretary, it should scrutinize the following: *(Amended in CM6 1996)*
  - 3.6.1. The proposed plan of the Promotion Program for the purpose of ensuring the financial necessity of the Promotion Program;
  - 3.6.2. Budgets of the Promotion Program and the Academic Function(s) are properly and adequately prepared;
- 3.7. The Finance Committee, after receiving the details, may ask for further information if required. If the Finance Committee finds the proposed plan satisfactory, it should decide the amount of subsidy for the Academic Function(s). The respective section in this Regulation governing the criteria for granting subsidy of the Academic Fund should be applied here in general except the binding of maximum subsidy of the Academic Fund.

The Finance Committee should send a written consent to the Sub-organization concerned and notify the amount of subsidy of the Academic Fund to the Sub-organization at least 4 weeks before the Commercial Booths are to be held. The Sub-organization may then carry out its plan. *(Amended in CM6 1996)*

- 3.8. The Sub-organization and Administrative Secretary should jointly sign agreements with the commercial firms participated in the Promotion Program. *(Amended in CM6 1996)*
- 3.9. The Sub-organization should submit an interim report of the progress of the Promotion Program at least 7 days before the Commercial Booths to be held. The interim report shall include:
  - a. The documents of all agreements with the commercial firms participated;
  - b. Actual number of Commercial Booths involved;
  - c. Expected income from the commercial firms not yet with written confirm;
  - d. Actual expenditure;
  - e. Any form of publication or publicity made.
- 3.10. If the plan is rejected by the Finance Committee, the Sub-organization must stop all the organizing work. Appeal can be made by writing to the Union Council. *(Amended in CM6 1996)*
- 3.11. Financial Report on the Academic Function(s) and the Promotion Program:

After the Promotion Program has been carried out, the Sub-organization must report to the Finance Committee within 4 weeks. The report shall include:

  - a. The actual income and its sources;
  - b. The total expenditure;
  - c. The list of advertisers, patron, donors, sponsor, and the advisor of the Promotion Program;
  - d. One copy of each publication of the function.
- 3.12. The Finance Committee may review the amount of subsidy to the Academic Function(s) after receiving the interim report of the Promotion Program. The payment of the Academic Fund to the Sub-organization should be transferred only after the final review of subsidy to the Academic Function(s) by the Finance Committee.
- 3.13. Each Union sub-organization can at most organize one Promotion Program each session, unless with the approval of the Finance Committee. *(Amended in CM6 1996)*

## **SECTION X**

### **COMPENSATION FOR LOSS OR DAMAGE OF UNION PROPERTIES**

1. Any loss and damage of Union Property should be the responsibility of the person(s) or Union sub-organization(s) concerned. *(Amended in CM6 1996)*
2. Compensation should be in the form of replacement of the lost or damaged Union properties in general.
3. Compensation in terms of money shall not be less than half of the contemporary market price of the property.
4. Compensation should be made within one month except with the permission of the Administrative Secretary.

## **SECTION XI**

### **PENALTY FOR INFRINGEMENT OF THE FINANCIAL REGULATION**

1. Penalty imposed for Union sub-organizations against Financial Regulation depends on the seriousness of individual cases. *(Amended in CM6 1996)*
2. Penalties that may be imposed by Union Council with Finance Committee recommendation: *(Amended in CM6 1996)*
  - 2.1. Regretted by Union Council; *(Amended in CM6 1996)*
  - 2.2. Retrieval of subsidy within the session concerned;
  - 2.3. Temporary suspension of affiliation i.e. no activity of the society can be proceeded;
  - 2.4. Disaffiliation;
  - 2.5. Any other means deemed appropriate by Union Council. *(Amended in CM6 1996)*

## **SECTION XII**

### **APPEAL** *(Amended in CM6 1996)*

All Union sub-organizations reserve the right of appeal by writing to the Union Council.



## **SECTION XIII**

### **FINANCIAL RESOURCES ALLOCATION METHOD (FRAM)** *(Appended in ECM3 2006)*

#### **1. Definitions**

##### 1.1. Recurrent Income

###### 1.1.1. Subscriptions and fees

##### 1.2. Investment Income

The following items are classified as investment income of the Union:

###### 1.2.1. Capital Gain from Investment Fund of the previous fiscal year

###### 1.2.2. Dividend and Interest received from Investment Fund of the previous fiscal year

##### 1.3. Non-recurrent Income

The following items are classified as non-recurrent income of the Union:

###### 1.3.1. Students' Co-operative Store Profit of the previous fiscal year

###### 1.3.2. Transfer from Academic Fund of the previous fiscal year

###### 1.3.3. Other income not classified as recurrent income and investment income of the previous fiscal year

##### 1.4. Recurrent Expenses

The following items are classified as recurrent expenses of the Union:

###### 1.4.1. Staff costs

###### 1.4.2. Utility charges

###### 1.4.3. Administrative expenses

###### 1.4.4. Audit fee

###### 1.4.5. Subsidies to presidents

###### 1.4.6. Council and Central Executive Committees

###### 1.4.7. Subscription to Hong Kong Federation of Student

###### 1.4.8. Contingencies expenses

###### 1.4.9. Repair and Renewal of Union Properties

###### 1.4.10. Transfers to funds other than SA Fund, CA Fund, ICA Fund, Media Fund, and

###### 1.4.11. Union Central Reserve

##### 1.5. Non-recurrent Expenses

The following items are classified as non-recurrent expenses of the Union:

###### 1.5.1. Transfers to Union Central Reserve (which will subsequently transfer to SA Fund, CA Fund, and ICA Fund).

## **2. Financial Resources Allocation**

### **2.1. Transfer to Investment Fund**

Half of the Non-recurrent income shall be transferred to the Investment Fund.

### **2.2. Transfer to Union Central Reserve**

An amount calculated by the following formula shall be transferred to the Union Central Reserve:

**Amount transferring to the Union Central Reserve = Recurrent Income + Non-recurrent Income + Investment Income x 50% – Recurrent Expenses**

### **2.3. Transfer to SA Fund, CA Fund, ICA Fund and Media Fund (*Amended in CM5 2013*)**

Where the Honorary Treasurer as advised by the Financial Secretary is satisfied that such transfer is not likely to affect adversely his ability to fulfill any purpose for which the Union Central Reserve is required to be or may be used under section 3(14), he may, after consulting the Finance Committee, and with the prior approval of the Council, transfer from the Union Central Reserve to the SA Fund, CA Fund, ICA Fund, and Media Fund part of any sum within a range of the base value (which is \$830,000 in 2013) +/- 10% or the balance of Union Central Reserve whichever is lower based on the actual amounts consumed in each fund by applying societies in the previous fiscal year and any situational changes which would affect the money amounts necessitated by applying societies at the time when the budget for this year is adopted.

Situational changes which should be considered include:

- a. Prevailing economic environment faced by the Union
- b. Investment performance of the previous fiscal year
- c. Changes in the number of affiliated societies who are eligible to apply for SA Fund, CA Fund, ICA Fund, and Media Fund.
- d. Changes in Consumer Price Index throughout the years. (*Amended in CM5 2013*)

The base value of the sum of the transfers shall be revised every three years since 2013 to reflect the prevailing situation at that time.

## **APPENDIX I**

### **SUMMARY TO UNION SUB-ORGANIZATION FINANCIAL SECRETARIES**

1. As a financial secretary of a Union sub-organization, you are responsible for all the handling of money, such as collection of membership fees and payment of incidental expenses. (refer to Section IV Article 4.) (*Amended in CM6 1996*)
2. On preparing budget, you are required to observe the budget standard for respective bodies of Faculty Society, SA, CA and ICA (refer to Section IV Article 6) and the principles of Union subsidy (refer to same section Article 1.) (*Amended in CM8 2011*)
3. You should also hand in a budget together with a development plan and a financial report to the Financial Secretary at the commencement and the close of the session. (*Amended in CM6 1996*)
4. Forms for reimbursement must be handed in together with the relevant receipts, dates of purchase or expenditure of which should not exceed three months. (refer to Section VII Article 2) In case a lack of receipt of inevitable, you can hand in a Certificate-in-lieu. (Section VII Article 3)
5. Fund-Raising Function means all function organized with the aim of making profit and with expected net income return exceeding \$1,500 (e.g. Annual Ball, Book Exhibition), or functions with actual net income returned exceeding \$1,500. In these fund-raising functions, no agents are allowed. Union sub-organizations wishing to organize fund-raising functions shall apply to the respective finance committees at least 6 weeks beforehand. The applications shall be subject to their final approval. Those who seek the approval by way of ratification shall hand in the applications within 4 weeks upon the completion of the functions. If a function involves the sales of equipment, services or consumable goods, application should also be submitted to the Financial Secretary four weeks before. The Union sub-organization is to submit a financial report after the function has been held within 4 weeks. (*Amended in CM8 2011*) Union sub-organizations of the Faculty Society, SA, CA and ICA wishing to organize fundraising functions have apply to their respective Council's finance committees, and the power of approving and disapproving these functions rests on the councils of the above four. These Union sub-organizations must also observe the relevant parts of the Financial Regulation concerning fund-raising functions. (Refer to Section VIII) (*Amended in CM8 2011*)
6. In case of short-term financial difficulties, Union sub-organization may apply for the Union Loan Fund. (For criteria and conditions please refer to Section III Article 8) (*Amended in CM6 1996*)
7. For unforeseen emergency which is not provided in the budget, Union sub-organization may apply for Contingencies. However, this shall be subject to the discretion of the Finance Committee. (Refer to Section IV Article 5.7) (*Amended in CM6 1996*)
8. There is also an Education Fund for education-related activities. (Refer to Section III Article 10 and Appendix II)
9. There are Grants to Union sub-organizations offered by the University, administered by the

Office of Student Affairs. (For details please refer to Student Affairs Handbook ) (*Amended in CM6 1996*)

10. All expenditure budgets of Union shall follow the Official Ordering and Tendering Procedure.
11. Infringement of the Financial Regulation by any sub-organization is liable to penalty. (Refer to Section X)
12. All Union sub-organizations reserve the right of appeal by writing to the Union Council.  
(*Amended in CM6 1996*)

## **APPENDIX II**

### **GUIDELINES ON EDUCATION FUND (THE PART COVERING CIVIC EDUCATION)**

Civic education can be defined as activities which:

1. Enhance the understanding of students on exercising the rights and fulfilling the responsibility of a citizen;
2. Promote the understanding of current political, social, economic, legal and educational system in Hong Kong;
3. Promote the understanding of the issue of Hong Kong's future and its subsequent changes and challenges, and;
4. Promote the understanding of historical and existing situation in China and also its future development.

*\*Note: The appendices are parts of the Financial Regulation, they only serve to clarify some of the details for the financial secretary of Union sub-organizations and may be amended from time to time provided that they do not violate the Financial Regulation.*

## **GUIDELINES FOR FUNCTIONS**

### **HELD BY UNION EXECUTIVE COMMITTEE**

#### **1. Definition**

- 1.1. "Exco" shall mean a member of Union Executive Committee, as defined in Union Constitution Section IX Article 1, except Presidents of the SA, ICA and CA. (*Amended in CM11 2009*)
- 1.2. "Function" shall mean a public ceremony or an event held by an Exco. It can be part of a series of activities designed or organized for a common theme, e.g. publication of journals, programmes of the like.

#### **2. General**

- 2.1. Only approved functions can be held, no matter if Union subsidies are granted or not.
- 2.2. The interpretation of these guidelines shall rest on the Union Council, whilst it is usually delegated to the Union Executive Committee and the Finance Committee.
- 2.3. These guidelines shall be amended or rescinded at any meeting of the Finance Committee with recommendation from the Union Executive Committee and the consent of two-thirds of those present voting.

#### **3. Finance**

- 3.1. Normally, at the beginning of each financial year, Exco's wishing to obtain Union subsidies for their proposed functions shall apply to the Financial Secretary with their draft proposals, consisting of the aims, formats and budgets drafts.
- 3.2. All Exco's wishing to obtain Union subsidies for functions not include in the Union Budget shall apply to the Finance Committee for Contingencies at least six weeks before the commencement of the proposed functions.
- 3.3. An Honorary Auditor for a function, who shall not participate in the organizing committee of the function AND shall be a member of the Finance Committee or the Union Council, shall be appointed at a meeting of Union Executive Committee.
- 3.4. A financial report of each function, audited by the Honorary Auditor, shall be submitted to the Finance Committee for scrutiny within eight weeks upon completion.
- 3.5. The audited financial report shall include:
  - a. The actual income and its sources;
  - b. The total expenditure;
  - c. The list of advertisers, patrons and sponsors.
- 3.6. In case a surplus shall be incurred, the whole sum shall be transferred to Academic Fund,

or refunded to the participants if fees have been charged (e.g. camp fee or course subscription), under the instruction of the Finance Committee.

- 3.7. If the function results in a deficit, the person-in-charge of the function may apply to the Finance Committee for Contingencies.
- 3.8. The Finance Committee and the Union Council reserve the power of final adoption of audited financial reports of the functions until the adoption of Union Annual Financial Reports.
- 3.9. Budget Standard
  - 3.9.1. No "miscellaneous" item shall be allowed without clear explanation.

#### **4. Procedure**

- 4.1. A detailed proposal for each function mentioned in the year plan shall be submitted for approval at a meeting of the Union Executive Committee, at least four weeks prior to its commencement.
- 4.2. A detailed proposal of a function shall comprise:
  - a. Aims;
  - b. Nature (including the form and the method);
  - c. Estimated income and expenditure in details;
  - d. Schedule of the preparation work and the holding of the function;
  - e. Person-in-charge of the function;
  - f. Proposed Hon. Auditor of the function;
  - g. Estimated number of participants involved in the function.
- 4.3. If the proposal is rejected by the Union Executive Committee, for receivable within six weeks upon its completion.
- 4.4. A report of the function shall be submitted to the Union Executive Committee for receivable within six weeks upon its completion.
- 4.5. The report shall include an audited financial report, as stated in Article 3.5, and other information, as referring to the detailed proposal, deemed necessary by the Union Executive Committee.

#### **5. Special Functions (*Amended in CM12 2009*)**

Any expenditure reimburse to special functions by any Union Executive Committee shall seek the approval from Finance Committee and the Council. The B form shall be co-signed by the Financial Secretary, the Council Chairperson and the Honorary Treasurer.