



Document Title:	Budget Virement Policy
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### 1. Introduction: Budget Virements

As a registered charity, RHSU works in line with an annual budget that is approved by the Board of Trustees. At times, there are changes required to the budget post Board of Trustee Approval due to unforeseen circumstances or error at the budget setting point.

A budget virement is transfer of budget from one place to another, this can be between departments, between nominal codes on the same department, or between months on the same nominal code where spend in reality does not match the phasing of budgets as set at the point of budget setting.

A budget virement has no impact on the organisations bottom line, as an increase in budget in one place is covered in full by a reduction of budget in another place.

### 2. Responsibilities

Individual budget holders, in partnership with the relevant member of the Senior Management team are responsible for ensuring that budget virement requests are made where appropriate, and that a request is not placed to reduce a budget where committed expenditure is expected later in the financial year.

The table below provides a summary of budget holder and relevant SMT member for each department of the organisation:

Department	Budget Holder	Relevant SMT Member
Central Overheads	Financial Controller	Head of Finance
Finance	Financial Controller	Head of Finance
HR	HR Manager	Head of Membership Support & Engagement
Marketing and Communication	Marketing and Communication Manager	Head of Marketing & Communication
Student Voice	Student Voice Manager & Deputy Head of Membership, Support & Engagement	Head of Membership Support & Engagement
Student Opportunities	Deputy Head of Membership, Support & Engagement	Head of Membership Support & Engagement
Give it a go	GIAG Coordinator & Deputy Head of Membership, Support & Engagement	Head of Membership Support & Engagement
Trading Overheads	Financial Controller	Head of Finance
Medicine	Licensed Trade Manager	Head of Trading Services
Tommy's Kitchen	Venue Operations Manager (F&B) & Licensed Trade Manager	Head of Trading Services
SU Venue	Venue Operations Manager (E&E) & Licensed Trade Manager	Head of Trading Services
Packhorse	Packhorse Manager	Head of Trading Services
Shop	Shop Manager	Head of Trading Services

### 3. Making Virement Requests

Where a budget adjustment is required, budget holders in partnership with the relevant member of the senior management team should make a request using the organisations budget virement request form. This should only be done when the following criteria are met:

- The expenditure requirement identified and not originally budgeted should be business critical
- The budget has been reviewed and a legitimate saving identified capable of covering the cost in full OR
- The budget has been reviewed and a legitimate increase in revenue has been identified that is capable of covering the cost in full.

#### **4. Approval and action of budget virement requests**

As budget virement have no impact on the bottom line, they can be processed on request / with approval of the relevant budget holder.

Budget virements that are funded by an increase in revenue as opposed to a reduction in another expenditure budget can be processed on request / with approval of the relevant member of the Senior Management Team.

#### **5. Requests for additional budget**

At times unforeseen circumstances may give rise to unbudgeted expenditure commitments that cannot be funded by a reduction in budget elsewhere, or by an increase in revenue performance. As a result, additional budget requests have an impact of the organisations bottom line.

#### **6. Making additional budget requests**

Where a budget increase is required, budget holders in partnership with the relevant member of the senior management team should make a request using the organisations budget increase request form. This should only be done when the following criteria are met:

- a) The expenditure requirement identified and not budgeted is business critical
- b) The expenditure budget has been reviewed and there is no scope for legitimate savings to cover the cost of the budget increase
- c) The revenue budget has been reviewed and there is no scope for a legitimate increase in budgeted revenue to generate funds to cover the additional expenditure.

When making an additional budget requests, it is important that all relevant information is included in the request to support management committee in their consideration.

The Head of Finance & Business Reporting will provide a clear forecast of the bottom line impact of any additional budget request to support management committee in their consideration.

#### **7. Approval and action of additional budget requests**

Additional budget can be approved by Management Committee, as a subcommittee of the Board of Trustees. Management committee convenes monthly, and is permitted to consider and approve additional budget requests electronically or at meetings.

All requests and decision outcomes will be shared at quarterly Finance, Staffing & Risk committee meetings.

Additional budget requests should be made with appropriate notice, and ahead of any expenditure commitment agreements.

#### **8. Strategic investment fund bids**

At the annual budget setting point, where possible an amount of the strategic investment fund can be made available for budget holders to bid for additional budget. This fund is not for business critical or business as usual budget requests, but create opportunity for developmental expenditure that provides new services or markedly improves or changes the service on offer.

The availability of this fund will be determined by Management Committee on advice of the Senior Management Team annually, at the start of the budget setting process, and will consider the available fund balance and financial resilience of the organisation. It is likely given the impact of the COVID19 pandemic that strategic investment fund bids will be restricted while the organisation is in the financial recovery phase.