

**Harvard Business School Student Association  
Financial Policies & Procedures Manual  
Last updated: August 27, 2008**

1. Purpose of this Document
2. SA Budget
3. Check-Signing Authority
4. Disbursement of Funds
5. Receipt of Funds
6. Record Keeping
7. SA Sponsored Program Guidelines
8. Annual Audit
9. Interaction with SA Ventures
10. Appendix 1 \*Information Required for Insurance Coverage
11. Appendix 2 \*Expense Request Form\*
12. Contact

### Purpose of this Document

This document has been created to serve as a guideline for the financial operations of the Student Association (SA). It was originally created during the 2001-2002 Academic Year at the urging of the HBS Financial Office, and was revised in May 2002 for the 2002-2003 Academic Year. Its primary purpose is to provide documentation of the normal operating procedures for the SA with regards to all financial matters. It has been designed to be consistent with rules as outlined in both the Student Association Constitution and the Policies & Procedures Manual for SA Ventures. It is expected that the SA CFOs will conduct SA Financial matters in a manner consistent with these guidelines. It is recommended that the SA Executive Board review this manual on a semi-annual basis. Revisions/additions, as they become necessary, should be documented in order to maintain consistency and ensure proper transition of information each year. A copy of this document, and its subsequent revisions, should be made available to the following parties:

- \* SA Presidents
- \* SA CFO
- \* SA COOs
- \* HBS MBA Student and Academic Services Office
- \* SA Ventures Manager
- \* SA Bookkeeper
- \* HBS Financial Office (Controller, Senior Accountant)
- \* Student Association Committee Chairpersons

## SA Budget

The SA Budget is created each year and is approved by the SA Senate prior to the start of the new fiscal year. The fiscal year is June 1 to May 31. The SA is accounted for on a cash basis. The budget decision making process is typically initiated in February, and must be ratified by the senate prior to the end of the winter semester. Spending on Social Activities will take place in two forms:

1. *\*Activities Expressly Budgeted for by the SA Budget\**: These are activities that are directly sponsored by the SA, and the expenses of these programs are covered by the general revenue sources of the SA. These programs are expected to adhere to requirements as outlined below for SA Sponsored Social Activities.
2. *\*Activities that are Self-Supporting\**: These are activities that are sponsored by the SA, but are not covered by the SA's general revenue sources. A representative of the SA, typically the Social Committee, has oversight responsibility for the events. The events are self-supporting, typically through either ticket sales or corporate sponsorships. The SA will often disburse funds in advance of the event, usually for facility or other vendor deposits. The SA advances these funds with the expectation that the SA will be reimbursed in full. These programs, although not supported by SA revenue sources, are expected to adhere to the requirements as outlined below for SA Sponsored Social Activities.

*\*Note on Event Transportation and Other Event Costs\** At times, organizers may wish to arrange for transportation (i.e. buses, etc.) to and/or from events. Please note that these costs often are extremely significant, and if the transportation cost was not originally included in the estimate of the event's budget, the SA is not responsible for covering this additional cost. Additionally, organizers should keep in mind transaction costs (such as QuickPay fees, etc.) and insurance costs (see *?SA Sponsored Program Guidelines?* below) associated with their events, which can also add a significant amount to the overall cost of an event. Should event organizers expect these costs to be incorporated into their event, they should consider increasing the price charged for the event to cover these incremental costs in advance.

## Check-Signing Authority

Authority to sign checks on the SA Account shall be held by the following individuals:

- \* SA CFO
- \* At least one of the SA Co-Presidents
- \* SA Ventures COO

At times, it may become necessary for other individuals to be given temporary check signing authority. An example of this occurrence could be during the summer break when students are not on campus. The SA Executive Board must be made aware of this prior to any other individual being granted check-signing authority.

## Disbursement of Funds

The following process should be followed for the disbursement of SA funds:

1. Any disbursement of funds requires an Expense Request Form to be completed and turned in to the SA Bookkeeper in the SA Ventures Office. No disbursement of funds can be made without the presence of this form. A copy of the current Expense Request Form is available online.
2. All requests for amounts larger than \$20 must be accompanied by a receipt. A receipt must accompany all requests for amounts larger than \$20. Records of expenses receipts should be maintained with the Expense Request Form.
3. Expense requests should be attributed back to a specific budget category. The SA CFO has the authority to authorize expenditures for non-budgeted activities for amounts up to \$50. For amounts greater than \$50, the approval of the SA Executive Board is required.
4. The SA Bookkeeper will document the expense request to the appropriate budget category. The SA Bookkeeper will also create a check for the request.
5. The SA CFO will review expense requests, and will sign approved checks. Check requests for less than \$1,000 may be approved and signed by one the CFO. Check requests for amounts greater than \$1,000 require two signatures. It will be the responsibility of the SA CFO to verify that the expense request falls within the SA Budget.
6. Approved checks for students may be picked up by the student in the SA Ventures Office during normal operating hours. The SA Bookkeeper will maintain records documenting that checks have been picked up.
7. Checks for Incorporated Vendors should be mailed directly to the vendor by the SA Bookkeeper. The SA Bookkeeper will maintain a record of the date of the mailing, as well as the address the check has been mailed to. This documentation should be recorded both electronically, as well as on the original Expense Request Form.
8. As a normal practice, expense forms should be submitted each week by Thursday 12 pm on Wednesday, and checks will be processed and ready for disbursement on Friday. Checks can be issued on an emergency basis during the week, but should be done within this normal routine whenever possible to keep everything organized.

## Receipt of Funds

The following process should be followed for the receipt of SA funds:

1. When ever possible, students should avoid any cash transactions. If necessary, cash must be turned in to the SA Bookkeeper within one1 business day.
2. Documentation should be provided, detailing the amount to be deposited, the sources of the funds (i.e. corporate sponsor, student names, etc.), and the date of collection.
3. The SA Bookkeeper will attribute the funds to a specific budget line item.
4. Deposits are to be made on a weekly basis. Any funds in excess of \$500 must be deposited within 1 business day.

## SA Sponsored Program Guidelines

Any event receiving funds from the SA is an SA sponsored event, and should adhere to the following guidelines:

1. **\*Event Insurance\***. All events are required to carry full insurance. It is the responsibility of the SA CFO to make sure that event coordinators are aware of this, and to make sure that the appropriate coverage level is purchased prior to the event. Event organizers should work with the SA CFO and SA Bookkeeper to arrange for insurance for their event. Event insurance may be purchased from Harvard University Insurance Office (contact: Lee Ann Ross, Assistant Director of Insurance) in 460 Holyoke Center (phone: (617) 495-8668). A list of the questions that will need to be answered by the event organizers in order to receive an insurance quote is attached as an appendix to this document. A copy of the insurance contract for each event (including transportation, if provided by the event) should be on file with the SA Bookkeeper prior to the event. All vendors are required to present the SA with proper insurance documentation, noting the level of coverage maintained.
2. **\*Sales Tax Exemption\***. The SA is exempt from paying local or state sales tax. Proper documentation should be provided to vendors in advance of events to ensure that the SA is not charged for sales tax in conjunction with its events. A copy of this exemption is on file with the SA Bookkeeper. Documentation can be provided to vendors upon request.
3. **\*Multiple Bids\***. 3+ bids are required for expenses which will be in excess of \$500 in order to ensure that the SA is receiving the best prices possible. Copies of bids should be kept on file with the SA Bookkeeper.

4. \*Event Deposits\*. All deposits for SA sponsored events require the signature of both the SA CFO and the event chair. This documentation should remain on file with the SA Bookkeeper.
5. \*Authorization for Disbursement of Funds\*. The SA CFO and SA Bookkeeper should be notified in writing (by e-mail) of expected uses of budgeted funds in excess of \$200 in advance of the time that these funds are required. This will enable the CFO to plan for expected disbursements in advance, and can enable the CFO and Bookkeeper to take care of payment of bills which are received after the event has been concluded.
6. \*Event Quotes\*. For events in excess of \$200, the event chair should get a detailed, written quote which includes all pricing and services to be rendered. This quote should be filed with the SA Bookkeeper. This documentation is applicable to events utilizing Restaurant Associates on the HBS campus.

## Annual Audit

A full audit of the SA's financial activity will take place in the early fall (September-October), and will be conducted by PWC. The CFO is responsible for signing off on all returns. The tax questionnaire is to be completed by the outgoing CFO prior to graduation (April-May timeframe). The costs of the audit and other bookkeeping activities should be shared by both SA Ventures and the SA.

## Interaction with SA Ventures

The SA and SA Ventures will maintain separate financial accounting books. However, the two entities will be viewed together for tax purposes. The SA receives a dividend from SA Ventures each year during May. This is to enable both entities to close out their books for the fiscal year.

## Appendix 1 Information Required for Insurance Coverage

1. Copy of contract or agreement for venue
2. Name of club/organization hosting event
3. Approximate number of people attending (HBS students & guests or open to public)
4. Type of entertainment (Band, DJ, etc.)
5. Type of refreshments and name of caterer
6. Will alcohol be served? Cash bar or open bar? Alcohol must be served by licensed bartenders (provided by caterer or charter company). What will be the Security ratio to guests?
7. Cost for admission (what does cost include)

## Appendix 2 - Expense Request Form

## Contact

HBS Student Association Chief Financial Officer (currently John Chessser,  
[jchesser@mba2009.hbs.edu](mailto:jchesser@mba2009.hbs.edu))