

FINANCIAL GUIDELINES FOR STUDENT CLUBS/SOCIETIES

Student Club/Societies Budget is established and utilized for an event which is part of the Annual Activity Plan and has been approved by the Office of Student Affairs (**OSA**). There are three (**3**) main ways how IBA generates funds:

- i) through a contribution (as a part of student fee)*
- ii) through sponsorship and/or kiosks/stalls*
- iii) through Registration or Participation Fee (no ticket for commercial events except fundraiser events)*

1. FINANCIAL GUIDELINES

- a) After a Student Club/Society has finalized their **Annual Activity Plan**, they will have to present a **Student Club/Society Annual Budget** to the IBA Student Government (**ISG**) for vetting, and it will then be forwarded to OSA for approval.
- b) The budget proposal is expected to clearly indicate how an approved event shall be funded e.g., through allocated budget, sponsorship, or both.
- c) The budget proposal shall finally be approved by **Dean - Student Affairs** and forwarded to Finance Department.
- d) The funds allocated to a Student Club/Society shall only be utilized for the event for which it is approved.
- e) It is expected that every Student Club/society shall remain within their allocated budget and avoid any kind of over expenditure.
- f) For each planned event the Financial Officer shall submit **TWO DOCUMENTS – (i) EVENT ORGANIZING FORM (ii) Financial Summary** – both in a prescribed template **approved by the Patron, and Dean Student Affairs**.
- g) It will be the responsibility of the Club/Society Patron and Office Bearers (**OBs**) to ensure strict financial control through a detailed '**Financial Summary – Estimated Revenue and Expense Sheet**, which will be reviewed and approved by the Finance Department.
- h) There shall be a dedicated bank account in the name of "**IBA Karachi (Students' Societies)**" and the total funds contribution will be transferred to said bank account.

- i) Student Club/Societies are expected to make maximum efforts in arranging sponsorships for their approved events. When arranging for sponsorships, a Student Club/Society:
- shall receive a crossed **cheque/pay order in the name of 'IBA Karachi'** from the sponsor and submit it to OSS.
 - Cheque/Pay order/Deposit Slip shall be accompanied with a letter/MoU from donor/sponsor. MoU shall indicate the **title of sponsored event along with sponsorship terms and conditions**.
 - OSS shall forward it to IBA Finance for processing.
 - will not promise any refund to the sponsor if the event is cancelled.
 - shall ensure to comply with the sponsorship requirements.
 - When requesting an IBA budget cover, a Student Club/Society shall consider the remaining budget carried forward from the previous year.
 - Ideally, a Student Club/Society shall receive all such sponsorships prior to the event. Else, MOUs against financial sponsorships will only be considered valid, if those are printed on a stamp paper and are duly signed and stamped by the sponsor and endorsed by the Patron and Office of Student Societies.
 - The sponsorship shall preferably be received in advance.
 - **If the funds are not sufficient to meet the expenses of an event, then bridge financing approval will be required from Dean – Student Affairs, which will be considered only upon joint recommendation of the Patron and Director Finance.**
 - The payment for a sponsored event can only be made if the clubs/society funds are available.
- j) In case a sponsor is on board for an event, the IBA management will charge the club/society for the venue – this will be on a case to case basis after being reviewed and decided by IBA management.
- k) When a Student Society has identified a funding source for an approved event, it will need to:
- i. Identifying Vendors and vendor management will now be managed under a hybrid model – Club/Society OBs will contact the vendors, get the quotations (**3 genuine quotations as per policy**), and the Patron will review them before they are sent to Dean – Student Affairs for approval.
 - ii. Dean – Student Affairs will approve/reject the quotation after careful vetting by OSS.
 - iii. Only as an exceptional case, if it is a unique requirement, and only one quotation is received, it will be forwarded by OSS to Finance for approval after the Dean-Student Affairs has approved it.
 - iv. OSS will share the list of registered and other long-term vendors with all Student Clubs/Societies.
 - v. Ensure that procurements are made only through the IBA approved vendors.
 - vi. The OSS team will be available for any support in finding a vendor, if need be.
 - vii. OBs will have to coordinate with OSS to ensure that all procurements are made within the allocated budgets.
 - viii. OBs will be responsible to prepare the Comparative Cost Statement and the Work/Purchase Order as per the prescribed formats. These documents shall be signed/approved by:
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- ✓ Dean – Student Affairs
 - ✓ Finance Department (for Pre-Audit and funds allocation)

- The Finance Department shall
 - make all payments directly to suppliers via a crossed cheque
 - ensure that all payments are made within the allocated budget
 - ensure that any instance where the budget limit is being exceeded is communicated to the OSA and the respective Student Society.

I) COMPLETION OF EVENT

- **When an event is completed, the OBs shall be responsible to ‘close’ the event and ensure that the revenue generation process is completed within seven (7) working days.**
- The OBs will also ensure that they have all the necessary information/documentation to present to the Club/Society Patron.
- After the Patron has reviewed the documents, the OBs will forward it to OSS.
- After every event, the financial reconciliation of that event is absolutely necessary within 7 working days – until that time, future events will not be approved, and no petty cash will be released.
- It will be the responsibility of the Student Club/Society Patron to ensure a smooth handover to the succeeding Student Club/Society Leadership team.

- **Revenue:**

- Food Vendors/Sponsor/Donor

- Revenue from food vendors must be submitted to OSS through pay order/deposit slip along with approved MoU from Patron.

- Registration

- Revenue generated through registration must be submitted with the following details along with original deposit slips:
 - Name of participant
 - Name of team
 - Amount
 - Deposit slip reference number
 - Deposit date
 - Cheque number

FREQUENTLY ASKED QUESTIONS (FAQs)

1. Can two or more Student Club/Societies collaborate for arranging a single event?

Yes. IBA encourages students to work together and arrange an event. However please bear in mind that:

- The respective Patrons and Dean - Student Affairs should have approved a joint event.
- Any activity or event outside the scope can be complimentary to a main event. For instance, a Club/Society can hold a musical event at the end of a conference- however, the complementary event should be limited to 10% of the duration of the event.

2. Can a Student Club/Society raise funds through selling tickets for an event?

No. IBA strictly does not allow any selling of tickets for any commercial events as per the new *Excise and Taxation Rules & Policies*. However, Student Clubs/Societies can **ONLY** sell tickets for fundraising events.

3. Can a new vendor be registered as an 'approved' vendor of IBA?

Such an arrangement is only allowed if the requested item may not be arranged through the available pool of vendors. For registering a new vendor, a Student Club/Society needs to arrange an official letter from the vendor, stating that they are not related to any of the students/staff members to avoid any conflict of interest. Any such vendor shall be a registered tax paying company having a proper company bank account.

4. Will a Student Club/Society be allowed to use an 'unapproved' vendor?

No. However, if OBs are unable to find a suitable vendor in the list of approved vendors, he/she may seek approval from the Dean (**Student Affairs**). The final decision is at the discretion of Dean (**Student Affairs**).

5. Can a Student Club/Society request cash in advance (petty cash)?

IBA highly discourages any advance payments (*petty cash*). However, to meet any last-minute expenses, Student Club/Societies have a limited advance payment budget of Rs.25,000/- which can only be requested **at least 5 days prior to the event. Petty cash request shall be approved by the Patron and Dean Student Affairs - OSS will send it to finance department for further procedure.** This can only be adjusted by **submitting advance adjustment summary**, and proper invoices/payment receipts to the Finance Department through the OSS. **NO CASH PAYMENTS ARE ALLOWED.**

- Advance shall be disbursed into Patron's account only.
- Advance request shall contain the list of expenses for which advance request have been made.
- For any small payments that are made as tips etc, they can be written on a blank paper, and signed by first the Patron and then the Dean Student Affairs. **OBs cannot claim any payment without signed and approved documentation.**

6. What happens if the Office of Student Affairs receives less than three (3) quotations?

The Office of Student Affairs will only work on three (3) quotations. **If a Student Club/Society has requested for an inexpensive service/product, there is no need to request three (3) quotations. In such cases, the term 'inexpensive' will mean a service/product which is less than Rs. 25,000/-**

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7. Will the applicable tax be added in the quoted price by the vendor?

Yes. The vendor will ensure to add the applicable tax in the quotation. Quotations without tax will not be acceptable.