

Group Finance Guidelines

1 Introduction

1.1 Background

Bishops Cleeve (BC) u3a exists to serve the interests of its members and these interests are embodied in the various interest groups that have been set up by the members. Group leaders are a very important part of any u3a as they provide the means by which these groups can exist.

The BC u3a committee aims to provide a framework within which the groups can exist and group leaders can manage their groups. The committee also offers support to the groups and group leaders by providing training and various tools to simplify their work.

Any organisation has to have rules and policies to ensure that it can run effectively and efficiently. In the case of charities, such as BC u3a, there are legal requirements that have to be met as well. The committee tries to keep the paperwork to a minimum but it is impossible to escape it entirely.

This document sets guidelines for how groups can control and manage their finances. The aim is to keep these as light touch as possible within the constraints that are imposed by the law. As far as possible, the document follows the best practice as advised by the Third Age Trust. The formal policy for group finances is included in the BC u3a Finance Policy (available on the web site).

1.2 Purpose of this policy

The committee has various financial responsibilities and some of these are delegated to the group leaders to give them more autonomy in how they run the finances for their group. However, group leaders and the committee have to be accountable to members for how group funds are raised and spent. The committee also has to account to the Charity Commission for the use of its funds.

By following this document, group leaders can be sure that they can provide that accountability and the committee can be sure that they can discharge their legal duties.

This document is a practical guide and meant as an introduction to group finance, while the formal version in the Finance Policy is written in more legal terminology. The u3a Treasurer is always available to offer advice and guidance.

1.3 Does this document apply to my group?

Not all groups need to spend any money and, of those that do, there are many different reasons for doing so. There are also multiple different ways that money can be raised from the group members. However, one overriding principle is that every group has to be self-financing, i.e., it must raise sufficient funds from its members to cover its expenses.

Once a group has decided that it needs to raise funds, the group leader will need to manage it in some way. This can be delegated by the group leader to another group member if they prefer. The committee provides tools to help the group leader to look after their funds (see below).

If a group leader has any questions about group finances or needs help using any of the tools presented in this document, the u3a Group Co-ordinator and the u3a Treasurer are always available for group leaders to talk to.

2 Managing group funds

2.1 Raising funds

There is no one right way to raise funds for a group and it is up to the group to decide what works for them.

There are various models that can be adopted:

- Each member pays when they attend a group meeting.
- Each member pays at fixed intervals, regardless whether they have attended any meetings.
- Each member pays whenever group funds are getting low.

The payments can be cash, cheque (payable to Bishops Cleeve u3a) or online (talk to the u3a Treasurer on how to set up online payments). Payments directly into personal bank accounts are not allowed, unless this money is transferred into the u3a bank account to hold on the group's behalf as soon as possible (see section 2.4 below). Group members are not allowed to arrange a BACS transfer directly into the u3a bank account.

Online payments incur a small charge to the group e.g., 10p for a payment of £5 or 4p for a payment of £2. However, in many cases it will be the most convenient method to adopt. Online payments will bring up a screen similar to this in a web browser:

Bishops Cleeve U3A

Science & Technology group fee (online payment)

£6.00

Use this page to pay your Science & Technology Group fee using any debit/credit card or Google Pay. If using ... [More](#)

Pay

Membership number

Email

+44 Phone number

Full name

Card number MMYY CW

Save my information for a faster checkout

Pay £6.00

2.2 Handling cash

If the group is collecting cash, it is common to keep a float of coins and notes to enable change to be given and to pay some of the group expenses. This must be kept to a minimum as storing cash is always a risk. The amount of this float should not be more than £50, preferably much lower (other amounts can be agreed with the u3a Treasurer).

The committee provides the use of the u3a bank account for holding group funds (even though the money is in the bank account, it is kept separate from the general funds and is still considered to be a group fund). The use of personal bank accounts for storing group funds is not allowed.

2.3 Spending money

The group leader, in consultation with the group, will decide what they want to spend money on. However, money spent by a group can only be used for the benefit of members in accordance with the objective of BC u3a - “to advance the education and, in particular, the education of older people and those who are retired from full time work, by all means including associated activities conducive to learning and personal development, in Bishops Cleeve and its surrounding locality.” To be clear, ‘education’ is meant in a broad sense, so that social and other activities with an educational or developmental purpose are allowable.

Advice on whether any spending falls under this definition can be sought from the committee. In particular, the committee needs to be consulted before any item that is not a consumable or service (i.e. an asset or equipment) is purchased.

Examples of group expenditure include:

- Hall hire for group meetings.
- Refreshments during a group meeting.
- Printing or copying of material to be used by a group.
- Payment to speakers for a group meeting (please discuss the use of speakers with the committee before engaging any, as further rules apply).
- Money spent on social activities for the group.

If any payment is to be made using a personal credit/debit card or cheque, this should only be done if no other payment method is possible. However, it is accepted that in certain circumstances the most practical payment method is for payment to be made in this way. For payments like this over £50, prior advice must be sought from the u3a Treasurer.

It is always possible to ask the u3a Treasurer to arrange a bank transfer to pay for some expenditure, using the group funds already in the u3a bank account.

One of the most common expenses for a group is the hire of a hall for group meetings. The u3a Treasurer pays all the invoices for hall hire, as they typically cover multiple groups. Each group has to ensure that they have sufficient group funds in the u3a bank account to cover the cost of their hall hires.

If the only expense is hall hire, the group is advised to keep all the group funds in the u3a bank account rather than passing money over piecemeal before or after every meeting.

Another common expense is refreshments during meetings. If the host of the meeting personally provides refreshments to the members present, the host can charge for doing so (up to a maximum

of 50p per person) and these transactions would not be included in the group accounts. However, if the refreshments were bought by the group, they would be included.

Whenever possible, a receipt should be obtained for all expenses and certainly for those over £15. The receipts are kept with the group accounts (see section 3 below).

Groups should not commit to any future expense unless either they already have the funds available to cover that expense or they have agreement to do so from the u3a Treasurer (generally, for example, it will be fine to commit to a future hall hire). This is to ensure that BC u3a is not left with a future liability should the group be unable to raise the required funds for whatever reason.

2.4 Using the U3A bank account

The u3a Treasurer has to keep an account of all money paid on behalf of a group into and out of the u3a bank account, showing the balance of each group's funds in the bank account. This balance can be viewed online at any time and shows all the transactions into and out from the bank account for the group (group leaders should contact the u3a Treasurer to access this facility). Annex 3 gives an example of what this looks like.

Money can be paid into the bank account either by depositing it directly using the facility provided by the Post Office, or it can be transferred electronically from a personal bank account, or it can be handed to the u3a Treasurer to deposit on the group's behalf. The u3a Treasurer can provide paying-in slips for use at the Post Office. The details of the u3a bank account are as follows:

- Account name: Bishops Cleeve U3A
- Sort code: 60-05-16
- Account number: 18736777

If a payment or deposit is made to the bank account, the u3a Treasurer needs to be told that this has been done so that the money can be assigned to the correct group.

When a group needs access to their funds to claim for a specific expense (other than hall hire), the online form <https://forms.gle/bGcyz9VbBv6NUuyc7> can be used. Alternatively, the claim can be made via email to the u3a Treasurer (treasurer@cleeve-u3a.org.uk). Receipts can be provided with the claim in electronic format (a photo or scan of these is acceptable for receipts up to £50).

3 Keeping accounts

It is the responsibility of the group leader to keep accounts of the income and expenditure of their group (although another group member may be nominated to do this). These accounts have to be included in the BC u3a accounts at the end of the year for presenting to the membership and providing to the Charity Commission.

The group accounts need to include all the income received from members and all expenses. Personal expenses (such as refreshments paid for by a member) should not be included. These accounts (along with any receipts) plus a note of any petty cash need to be shared with the u3a Treasurer quarterly (1st September, 1st December, 1st March and 1st June) for integration with the main accounts.

Beacon provides one means of keeping track of group funds in the Group Ledger (see Annex 1 for what this looks like). An alternative is to use a spreadsheet program on a computer or tablet (an

example template is shown in Annex 2). The use of a paper accounting system is not advised due to increased likelihood of errors and the difficulty in sharing it.

Help can be provided to any group leader who would like it when setting up a suitable system.

Annex 1: Beacon Group Ledger



Bishops Cleeve

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Group Record for Art - Painting and Drawing

[Details](#) [Schedule](#) [Members](#) **Ledger**

Group Ledger

From to

Date	Payee	Detail	In	Out	Balance
		Brought forward			£0.00
Date	Payee	Detail	In	Out	Balance

Add transaction

Date	Payee	Detail	In	Out
<input type="text" value="08/01/2022"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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Annex 2: Group accounts example

Group name:	Scuba diving				
Dates covered:	1 Sep 2021 – 30 Nov 2021				
Date	Description	Income	Expense	Cash balance	U3A bank balance
	Brought forward			£23.81	£40.00
10/09/21	Biscuits (receipt)		£3.99	£19.82	£40.00
13/09/21	Meeting fees (10 members), paid into bank	£50.00		£19.82	£90.00

Annex 3: Group balance web page example

	A	B	C	D	E	F	G	H	I	J	K
	Transaction	Date			Payee/Payer	Group	Detail	Account	In	Out	Balance
6							Brought forward				£0.00
7	U3A Ledger by group										
8	1760	03/09/21			St Michael's Centre	Book Circle 4 - Book Borrowe	Hall Hire 25th Aug 2021	Current	£0.00	£15.40	-£15.40
9	1781	13/09/21			Book group 4	Book Circle 4 - Book Borrowe	Hall hire for 25th August 2021	Current	£15.40	£0.00	£0.00
10	1822	11/10/21			Book group 4	Book Circle 4 - Book Borrowe	Hall hire September 2021	Current	£15.40	£0.00	£15.40
11	1824	11/10/21			St Michael's Centre	Book Circle 4 - Book Borrowe	Hall hire 22nd Sept 2021	Current	£0.00	£15.40	£0.00
12	1895	08/11/21			Book group 4	Book Circle 4 - Book Borrowe	Hall Hire 27th October 2021	Current	£0.00	£15.40	-£15.40
13	1897	08/11/21			Book group 4	Book Circle 4 - Book Borrowe	Hall Hire 27th October 2021	Current	£15.40	£0.00	£0.00
14	2203	6/12/21			Marguerite Hapgood	Book Circle 4 - Book Borrowe	Nov 21 Hall Hire for Book Circle 4	Current	£15.40	£0.00	£15.40
15	2189	10/12/21			St Michaels Centre	Book Circle 4 - Book Borrowe	24 Nov 21 Hall Hire - Book Group 4	Current	£0.00	£15.40	£0.00
16	2233	14/12/21			Marguerite Hapgood	Book Circle 4 - Book Borrowe	Deposit of group balance	Current	£43.40	£0.00	£43.40

Annex 4: Frequently asked questions

When does money not have to be recorded in the group accounts?

Any money that is paid direct to a service provider does not have to be included. For example:

- A group meets in a member's home where this member (the host) provides refreshments. Members pay the host directly for any refreshments they are given (up to 50p each).
- A group goes to the pub for a meal together. Each member pays the pub directly for the food and drink consumed.

What accounts do I need to keep?

The accounts need to include:

- A list of the income received from members, broken down per meeting if a payment is taken for attending the meeting.
- All expenditure giving a description of what the money has been spent on (and whether a receipt was obtained and kept).
- All payments of funds to and from the u3a bank account.
- A running total of the amount of petty cash.

It would be advisable to also note the amount held in the u3a bank account so that the full amount of available groups funds is always known.

What tools are available to help me record the group accounts?

There is a Group Ledger facility in Beacon (see Annex 1) which allows for the entry of income and expenditure and keeps running balance. It is not possible to keep separate running totals of petty cash and funds in the bank but for some groups this will not be required.

An alternative is to use a spreadsheet on a local computer or online (eg Google docs).

The u3a Treasurer can give advice on both options and advise which would be most suitable.

How can I pay money into the u3a bank account?

Cash and cheques can be paid directly into the u3a bank account at the Post Office using paying-in slips available from the u3a Treasurer.

How can I see what group funds are being kept in the u3a bank account?

The u3a Treasurer maintains an online spreadsheet (in Google docs) showing the balance of funds held for each group. The group leader (plus anyone nominated by the leader) can be given read access to this spreadsheet. The u3a Treasurer updates it after every transaction involving the group.

Can I buy equipment for my group?

Yes but always check with the committee first. BC u3a already has some equipment and there might already be something you can use. In any case, the purchase of equipment has to be approved by the committee and recorded on a central register held by the u3a Secretary.

My group has more funds than it needs at the moment. What can I spend this money on?

Sometimes a group will raise more funds than it needs to cover its on-going expenditure. Obviously it would be better if income always matches expenditure but this is not always possible.

Excess funds can be used in any way that the group sees fit as long as it fits within the objectives of BC u3a. Examples of this include:

- Holding a meeting with a “payment holiday” (where payment is usually collected from those attending).
- Having a social event where some or all of the expenses are paid for by the group.

It is not permissible to pay back any of the money directly to group members.