

FINANCIAL POLICY for Burton-on-Trent u3a

1. Introduction

1.1. Purpose

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls, or Financial Policy.

2. Trustees’ financial responsibilities

The Trustees of Burton-on-Trent u3a are responsible for:

- Safeguarding the assets of the charity.
- Identifying and managing the risk of loss, waste, theft or fraud.
- Ensuring the financial reporting is robust and of sufficient quality.
- Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation.
- The accounts should show a true and fair view of the state of affairs of the u3a.

Trustees are jointly responsible for keeping full financial records. These include those of the u3a and all the interest groups, sub-groups etc., where appropriate.

To enable the Trustees to carry out these responsibilities, the financial procedures detailed below will be followed.

A copy of this policy will be given to all Trustees on their election/appointment to the committee and made available to members on the website.

The policy will be kept under review and revised as necessary.

3. Banking

3.1. Bank accounts

Burton on Trent u3a has two bank accounts both managed by the Treasurer. The Main account is used for transactions that are fundamental to the objects of the u3a as laid out in our constitution. The Social account is used for social transactions such as visits, holidays, and lunches.

- All bank accounts are in the name of Burton-on-Trent u3a and operated by the Trustees.
- New accounts may only be opened by a decision of the Trustees, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the Trustees, which must be minuted.
- The authorised signatories are the [Chairman, Vice Chairman, Secretary and Treasurer]. This responsibility cannot be delegated.
- All cheques must be signed by two signatories out of four signatories.
- All internet transfers must be authorised by two signatories out of four signatories.
- The signatories are responsible for examining any cheques for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an internet transfer. The signatory should sign the document to confirm approval.
- All bank statements must be sent to the Treasurer directly.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.

- Whenever practical two people should be involved in counting cash receipts.

3.2. Online banking

Where online operation of the bank accounts is in place only Trustees approved by the committee will have access to this facility. The security of the online system is in line with the arrangements offered by Lloyds and in accordance with the mandated approval limits.

3.3. Payment by bank cards

Burton-on-Trent u3a holds 2 business debit/credit cards. These are held by the Treasurer. All transactions made using these cards appear immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers through the online banking service. All such payments must be supported by an invoice or receipt made out to Burton-on Trent u3a.

- Operation of the online banking service is under the control of the Treasurer who has full access rights and is responsible for assigning the appropriate delegate rights, as agreed by the committee and in accordance with the bank mandate.
- All payments are authorised in accordance with the bank mandate.
- Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.
- The issue of any bank debit or credit card in the name of Burton-on-Trent u3a will be approved by the committee. The Treasurer is the sole holder of any cards.
- The use of these cards overrides the dual control aspect of the payment authorisation process, but is permitted, where agreed in advance in recognition that online purchases for certain goods and services represents the most effective, and in some cases, the only method of completing the purchase (e.g. theatre tickets).

3.4. Personal debit or credit cards

The use of personal bank facilities such as cheques, debit or credit cards for any group activities needs to be discouraged and closely managed. Permission must be sought from the Treasurer where a group feels that there is no other viable way to make payments.

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Burton-on-Trent u3a or specific interest groups. In some circumstances, it may be appropriate for a member to purchase the equipment themselves, after approval from the Treasurer, and then claim the cost as a personal expense claim.

All invoices must be issued in the name of Burton-on-Trent u3a.

4. Group finances

Groups should aim to be self-financing and can collect such sums of money as the group members and coordinator deem to be necessary to undertake their activities in line with the Group Financial Guidelines policy.

4.1. Receipts

Sums collected are to be paid to the Treasurer

- Quarterly for Interest Groups,
- as soon as practical for outings including lunches and must be within two weeks of collection.

To manage the handover of cash and cheques to be paid into the Burton-on-Trent u3a bank account the committee have agreed that:

- Bank paying in slips will not be given to group coordinators for this purpose.
- The appropriate form must accompany sums paid to the Treasurer either the Income and Expenditure for Interest Groups or the Outings Banking Form.
- Where applicable receipts will need to be given to group coordinators, or acknowledged by email.
- No expenses can be deducted from money collected other than that specified on the Interest Group Income and Expenditure. The gross amount must be paid to the Treasurer with the previous exception.

4.2. Payments

Payments must be paid by the Treasurer unless agreed otherwise with the Treasurer.

Payments will not be made unless sums collected have been paid to the Treasurer a week prior to payment required unless by prior agreement with the Treasurer.

Except for standard monthly payments eg venues, it is the responsibility of the coordinator to agree with the Treasurer details of any required payment with purpose, to whom, when to be paid and amount and accompanied by supplier's invoice or request for payment eg from speakers. At least one week's notice should be given to enable approval and subsequent payment.

Outside speakers should be asked to state their fees and any travel costs at the time of booking

Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

The Treasurer will monitor the income and expenditure of the groups and report to the committee. Group coordinators need to provide regular information, as agreed, to the Treasurer. Where groups do not comply then the committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

4.3. Social activities

Events such as lunches, theatre trips, visits, holidays or educational days out must be charged at cost and all participants pay appropriately. The costs paid by members must cover all expenses. The organiser of an event must not benefit from any discount (e.g. a free place) offered by the organisation providing the event. The value of free places must be shared out among all participants to the event.

As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

4.4. Payments to other charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Burton-on-Trent u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not direct to their nominated charity.

5. Expenses policy any item including equipment

- Expenses incurred by the volunteers who are involved with running the u3a will be reimbursed after approval by the committee.
- Prior to the purchase of items or equipment over £10, a request must be sent to the Treasurer for consideration at the next committee meeting.
- Expense claims must be submitted with receipts.
- Expense claims will be authorised by the committee and no committee member should authorise their own claim.

- Expenses will include – with committee approval – attendance at the Trust’s AGM and Conference or national/regional workshops – Network meetings.

All claims need to be made on the appropriate form giving sufficient detail as to the nature of the expense.

Expense claims should reflect the cheapest travel option available. Travel by car will be reimbursed at the current HMRC approved rate for the actual mileage travelled. Car parking and congestion charges can be reclaimed (with receipts) but parking or other fines will not be allowed.

Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the committee.

6. Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Burton-on-Trent u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Burton-on-Trent u3a offers a system whereby the membership fee can be adjusted for those who can provide proof of receiving benefits and financial support in consequence of living with a health condition or disability.

For u3a members who can evidence membership of another u3a Burton-on-Trent U3A will reduce the cost of membership by the amount that is paid to the Trust for each member.

7. Asset register

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location.

It should be noted that under a receipts and payments reporting system, all assets are fully written off against receipts in the year of purchase. The register is reviewed annually.

8. Reserves

Burton-on-Trent u3a aims to keep a level of reserves that will cover 12 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

Social account activities are excluded from this figure as these activities are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing.

Policy review date: February 2024