

1. Introduction

- 1.1. This policy is based on advice provided by the Third Age Trust (TAT). This advice can be viewed at <https://www.u3a.org.uk/advice/finance/370-financial-matters> (a member login will be required to view this).
- 1.2. All Trustees must ensure that the U3A abides by its constitution, safeguards its assets and exercises effective control over all bank accounts.
- 1.3. All finance procedures must be legal and comply with HMRC, GDPR and charity law

A) Handling Money

2. Bank Accounts

- 2.1. Chester U3A operates four bank accounts with Lloyds Bank, Foregate St, Chester:-
 - i) Treasurer's account (main current account for Receipts and Payments),
 - ii) Rent account (for hall rental payments by groups),
 - iii) Social account (for all social activities – theatre trips etc),
 - iv) Subscription account (for receipt of electronic payments from members for subscriptions and other events).
- 2.2. All accounts operate under a dual signatory basis, with two from a nominated pool of Trustees. The nominated Trustees are approved by the Committee and would normally be a minimum of four, including the Officers.
- 2.3. Banking arrangements must not be under the control of group leaders or any member of the group. It is not permitted for groups to maintain their own bank accounts.

3. Petty Cash and Expenses

- 3.1. A Petty Cash and Expenses policy is held which provides details on the payment of expenses and holding of petty cash. See Appendix 1.

4. Online Banking

- 4.1. Online operation of the bank accounts is in place. Only Trustees, approved by committee have access to the online banking. The security of the online system is in line with the arrangements offered by Lloyds Bank. Nominated Trustees can view all bank accounts and are provided with a card reader and personal access card.

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- 4.2. 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 confirmed by the Committee. All payments are authorised by a second nominated trustee. Internal account transfers may be made by the Treasurer or other delegate with payment authorisation.

5. Payment by Bank Cards

- 5.1. The issue of any bank debit or credit card in the name of Chester U3A must be approved by the Committee. It is recognised that the use of these cards overrides the dual control aspect of the payment authorisation process, but that on-line 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).

5.2. U3A Debit Cards

- i) Chester U3A holds two business debit cards, one held by the Treasurer and one by the Social Secretary. These are held purely to facilitate online purchases where it is not practical to pay by cheque or bank transfer.
- ii) 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 appointed officers through the online banking service. All such payments must be supported by an invoice or receipt made out to Chester U3A.

5.3. U3A Credit Cards

- i) Chester U3A does not hold any corporate credit cards as it is considered that the bank conditions and charges do not make this a worthwhile service.

5.4. Personal Debit or Credit Cards

- i) Advice from the TAT is that U3As should not make payments using personal payment cards because of the lack of Trustee control in relation to authorising payments. It would also be problematic if a supplier were to go into administration as the debt would be a personal debt against the card holder rather than the U3A.
- ii) It is accepted by the Committee of Chester U3A that in certain circumstances the most practical payment method is for an on-line payment to be made by a member using a personal debit or credit card. This will usually be for a software licence where the member operates the supplier account under approval by the Committee.
- iii) The Committee has agreed a maximum £50 limit on payments for purchases on behalf of Chester U3A made by a member without specific prior authorisation.
- iv) Prior approval must be given by the Committee for equipment and other items to be purchased for the use of Chester U3A or particular groups. In these circumstances, it may be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim. All invoices must be issued in the name of Chester U3A.

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An Equipment Request form (Appendix 3) should be completed and sent to the Chairman for Committee approval.

B) Funding Activities

Chester U3A operates the following system to fund activities.

6. Basic membership subscription with additional payments for interest or other group activity

6.1. A basic membership subscription covers the following activities:-

- i) The central costs of operating the U3A including access to information on the detailed program (e.g. diary and/or newsletter giving particulars of the U3A's activities), printing and stationery,
- ii) The costs of the monthly meetings (hall hire and speakers),
- iii) The annual membership subscription to the Trust (currently £3.50 per member),
- iv) The cost of the Trust magazines (Third Age Matters and Sources – currently £2.50 per address),
- v) Licences and insurance provided by the TAT,
- vi) Purchase of equipment for use by groups,
- vii) Discretionary start-up funds for new groups,
- viii) The cost of funding (either totally or in part) one or more members' attendance at the Third Age Trust's Conference/AGM.

6.2. The membership subscription is decided annually by the Committee. The current annual fees (2018-19) are:-

- | | |
|---------------------|------|
| i) New member | £14 |
| ii) Renewing member | £10. |

6.3. Subscriptions are payable on 1 September annually. Members have three months to renew before their membership lapses and they have to re-join as a new member.

6.4. Members are encouraged to pay their subscriptions by bank transfer. Cheques and cash will also be accepted.

6.5. Membership fees and membership of more than one U3A .

Each U3A has to pay a membership subscription to the Trust. Some U3A members may have membership of more than one U3A. Chester U3A does not allow people to pay a membership subscription less the Trust membership fee. The undertaking of cross checking would be a massive administrative task.

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6.6. Gift Aid

Chester U3A is registered for Gift Aid, where members' subscriptions are treated as a donation and tax relief can be reclaimed from eligible members. New members are encouraged to complete a multiple Gift Aid declaration which is retained for all future subscriptions, unless the member advises the Membership Secretary they are no longer eligible.

In accordance with HMRC requirements, members are reminded annually of their personal responsibility to ensure that, if they pay insufficient tax to cover their total gift aid donations, they are responsible to pay any difference to HMRC.

Members are advised annually in the financial report what is claimed as Gift Aid.

7. **Group finances**

7.1. All interest groups are self-sufficient in funding. Group co-ordinators are responsible for collecting funds from the members of their group to fund all on-going activities. Co-ordinators are responsible for providing a financial report to the Treasurer for any group where the annual income exceeds £50. Refer to the Appendix 4, 'Study Interest Group Accounts' and Appendix 4a, 'Chester Group Finance Statement'

7.2. The Group Co-ordinator Liaison officer may apply to the Committee for start-up funds to assist with the formation of the group and initial expenses. They may also apply for funds to cover essential equipment for use by the group in their regular activities. All such equipment remains the property of Chester U3A and may be used by other groups as appropriate. The equipment will be recorded on the Asset register.-

7.3. Hall fees

Where a group meets in a hall, any contract with the hall must be approved by the Committee and signed by an officer of the Committee (a Trustee).

The co-ordinator will agree arrangements with the group members to collect funds to pay the hall fees. Typically, this may be based on an annual membership subscription to cover the total cost of hall fees and refreshments, for example, or may include a regular subscription to the group based on attendance. The co-ordinator will collect the due funds from the group members and pass to the Treasurer for depositing in the U3A bank account. They will pass rental invoices received from the hall to the Treasurer for payment.

7.4. Where groups meet in private houses, the members may agree to cover the costs of refreshments where these are provided. Group co-ordinators or members may hold these funds as petty cash (see Appendix 3).

8. **Social activities**

8.1. Expensive events such as theatre trips, visits or educational days out must be charged at cost and all participants pay appropriately.

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- 8.2. 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.
- 8.3. Out-of-pocket expenses can be paid to an organiser out of the money collected for 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.

9. Payments to other charities

- 9.1. In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives as it has no power in its constitution that allows it to do so. However, it is permissible to make a payment to a one-off donation to another charity arranged with a speaker, in lieu of a fee. In this circumstance, the speaker should be asked to provide a signed confirmation of their wish which will be held by the Treasurer.

10. Expenses

- 10.1. Refunds of costs which a trustee has necessarily incurred in order to carry out trustee duties can be paid. As a general rule, claims for expenses must be supported by receipts. Examples of legitimate expenses would be authorised travel on trustee business, postage costs, stationery and telephone calls necessary for running a U3A.
- 10.2. All expenses should be authorised by an officer and, of course, no-one should authorise their own claim. It is legitimate to reimburse, either wholly or in part, committee-approved attendance at the Trust's AGM and Conference or at appropriate workshops.
- 10.3. It is also acceptable on occasion to reimburse group coordinators or members for expenditure, such as a mileage allowance for using their car on U3A business. The Trustees must remind anybody who uses their car on U3A business to ensure that they have adequate insurance including occasional business use.

C) Financial Reporting

11. Reports and Accounts for the Financial Year End and the AGM

- 11.1. Chester U3A accounts are prepared on a 'receipt and payment basis'. They are subject to an independent examination by a qualified examiner appointed by the members at the AGM.
- 11.2. In accordance with fiscal requirements, all financial records are kept for a minimum of six years from the end of the financial year to which they relate.
- 11.3. The financial year runs from 1 September to 31 August. The AGM is usually held in November.

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11.4. The examined accounts, which provide details of all monies received and paid out in the previous financial year and a statement giving details of any assets and any liabilities at the end of the year e.g. un-presented cheques, are presented to the members at the AGM.

11.5. Following the AGM, an annual report and trustee report is submitted to the Charity Commission in line with the requirements contained in their Receipts and Payments Account pack (CC16).

11.6. Asset Register

An Asset register is maintained by the Treasurer which records all assets held by Chester U3A, including their initial purchase price, date of purchase and estimated nominal value. 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.

11.7. Reserves

Chester U3A aims to keep a level of reserves that will cover approximately six months of normal activity. This is considered by the Committee a reasonable level for this type of charity. Social account activities are excluded from this turnover as these activities are inflated by high cost activities such as theatre visits and days out and are entirely self-financing.

Prepared by:

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Hon Treasurer
Chester U3A

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Chair
Chester U3A

July 2018

This policy and procedures is based on “The Mutual Aid Principle” which is a key feature of the U3A movement.

- No payments are made to members for services rendered to any U3A.
- Each U3A is self-funded with membership subscriptions and costs kept as low as possible.
- Outside financial assistance should only be sought if it does not imperil the integrity of the U3A movement.

Expenses

- Refunds of costs which trustees and members have necessarily incurred in order to carry out trustee duties can be paid.
- Claims must be made using the Expense Claim form (below and on the Chester U3A website) and be supported by receipts.
- All expenses must be authorised by an officer. No-one can authorise their own claim.
- Expenses above £30 must be authorised in advance.
- The committee can wholly or in part support Trustee attendance at National AGM.
- Members may be reimbursed for use of their car on U3A business, provided that their insurance includes business use.

Equipment Request

Group co-ordinators may submit a request to the Committee for equipment to be purchased for use by groups. An Equipment Request is available below and on the Chester U3A website. All such equipment purchased remains the property of Chester U3A and may be used by any group as appropriate.

Procedure

All claims to be made to the Treasurer on the Chester U3A Member's Expenses form with accompanying receipts.

All claims to be authorised by an officer - no-one must authorise their own claim (see above).

Chester U3A will reimburse Trustees, co-ordinators and members in the execution of their duly-authorised activities in the following:

- i. Travel costs (as low as possible) by train/bus/car. Mileage allowance 0.45p/mile.
- ii. Communication – postage/telephone/mobile.
- iii. Home Printing – B/W 2p/one side, colour 10p/one side.
- iv. Commercial printing (e.g. Newsheets, membership cards, group brochures).
- v. Attendance at study days/training days/Network meetings/ National AGM.
- vi. Purchases for group use as petty cash e.g. tea/coffee to a maximum of £25.
- vii. Other reasonable expenses.

The Treasurer will reimburse the claimant, keep all receipts, and record the payment in accounts.

Petty Cash and Expenses

Petty Cash

Petty cash should only be held by any member as a temporary means of matching funds received from group members with expenditure due to be made in the near future.

Typically, this will include money collected by Group Co-ordinators from members to meet the hall rental costs. These funds should be given to the Treasurer at the earliest opportunity when they will be paid into the Rent Account to be held until the appropriate invoice has been received from the hall.

Group co-ordinators are responsible for ensuring funds are held securely in a locked container and secure location.

Small amounts of petty cash may be held to cover the provision of refreshments.

Cash subscriptions received by the Membership Secretary may be held up to a maximum of £300 (the insured value for cash holdings) and should be passed to the Treasurer for banking at the earliest opportunity.

Chester U3A Member's Expenses

Appendix 2

To - Chester U3A Treasurer

From _____

Responsibility _____

Date _____

Please give costs under stated headings. Add further details as necessary overleaf. Staple receipts to form.

Category	Item	Cost
Printing/Stationery		£
Postage		£
Telephone		£
Travel		£
Pre – authorised Equipment		£
Others please specify		£
Total Claim		£

If you wish to receive the amount due by bank transfer, please provide your bank account details below:

Account name	
Sort Code:	— —
Account number:	

Signature _____

Please return the completed form to

The Treasurer, Chester U3A, PO BOX 167, CH2 1WL

For U3A use

Authorised by: _____

Date _____

Chester U3A Equipment Request Form

Appendix 3

Name of Group(s) _____

Co-ordinator/member responsible _____

Date _____ Telephone _____

Email _____

REQUEST (Please give full details of costs, proposed supplier, reason for purchase, benefit to U3A and the storage location. Include a separate sheet if necessary)

Item/Supplier	
	£
Reason for purchase	
Benefit to U3A	
Storage location	

Signature _____

ACTION BY COMMITTEE

The committee has **approved / not approved** the request.

Chair _____ Date _____

Group financial accounts are required to be submitted annually to the Chester U3A Treasurer for all groups whose annual income exceeds £50. This figure includes all funds collected from members to cover (for example) rental for hall, hire of sports facilities or equipment, refreshments, speaker expenses.

The accounts should be submitted to the Treasurer in September to cover the reporting period 1 September to 31 August in line with the reporting for the Chester U3A accounts.

An example Excel spreadsheet for group accounts, Chester U3A Group Finance Template, can be used to guide co-ordinators in what they need to submit annually to the Chester U3A Committee. (See Appendix 5).

Group co-ordinators can download a copy of the spreadsheet. Those who do not have access to Excel should contact the [Chester U3A Treasurer](#) who can make a Group bespoke version available on-line for editing.

The information required is:

- 1) The group name
- 2) The group co-ordinator, with contact details
- 3) Dates for the period the accounts cover
- 4) Opening cash balances held by the group, including that held by the U3A Treasurer (the closing balances are calculated automatically)
- 5) Details of all income and expenditure for the group
- 6) Details of amounts transferred to the U3A Treasurer, if appropriate
- 7) Details of amounts paid by the U3A Treasurer on the Group's behalf (e.g. for hall rental), if appropriate.

The spreadsheet can also be used to record the member contact details, including membership number, which is required by Chester U3A. It also provides the facility to record regular income and expenditure to compile the annual accounts. The template has been set up to record weekly meetings, but the dates can be changed at the top to suit the group meetings.

For help or advice please contact the [Chester U3A Treasurer](#).

It must be noted that groups are not allowed to maintain individual bank accounts. Any transactions which require payment by cheque must be undertaken by the U3A Treasurer. Likewise, any cheques collected by the group co-ordinator must be passed to the U3A Treasurer.

Chester U3A Group Finance Statement				
Group				
Co-ordinator				
Telephone				
Email				
Accounting period:	Start	1-Sept	End	31-Aug
Date				
Opening Balance	Cash			£0.00
	Held by Chester U3A Treasurer			£0.00
	Total			£0.00
Income	Subscriptions		£0.00	
			£0.00	
			£0.00	
			£0.00	
			£0.00	
	Total		£0.00	£0.00
Expenditure			£0.00	
			£0.00	
			£0.00	
			£0.00	
			£0.00	
	Total		£0.00	£0.00
Transfers to U3A Treasurer			£0.00	
Payments made by U3A Treasurer			£0.00	
Closing Balance	Cash			£0.00
	Held by Chester U3A Treasurer			£0.00
	Total			£0.00
Equipment belonging to the Group				
Location	Item			