

1. Introduction

1.1. Purpose

Culm Valley U3A (CVU3A) understands that all charities are required to determine their “Internal Controls” for running the charity, one of these being the financial controls, or Finance Policy. To that end, this is the Finance Policy of CVU3A.

2. Trustees’ financial responsibilities

The trustees of CVU3A 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 CVU3A.

Trustees are jointly responsible for keeping full financial records. These include those of the CVU3A 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 CVU3A website.

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

3. Banking

3.1. Bank accounts

- All bank accounts are in the name of CVU3A 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, where allowed by the appointed bank, will be the Chair, Vice Chair, Secretary and Treasurer and/ or other Trustees. Where the bank allows only three signatories, then the Chair, Treasurer and one other Trustee as agreed by the committee will be the signatories.
- A dual signatory process is required for all payments (cheques, online, etc...)
- The signatories are responsible for examining payments 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.
- All bank statements must be sent to the Treasurer directly.

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 the appointed Bank and in accordance with the mandated approval limits.

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.

Any passwords used by each signatory to gain access to online banking must not be given to any other signatory or committee member.

3.3. Payment by bank cards

If the committee decides that a debit card is required to pay certain bills, then a separate banking organisation that provides prepay cards will be used, so that no one person has access to the entire funds of CVU3A. The prepay card will only be given sufficient funds to pay for the pre-approved expenditure ensuring that there is no risk of the card being used fraudulently.

3.4. Personal debit or credit cards

The use of personal debit or credit cards for interest group activities should only be used if the interest group leader/convenor has assessed that there is no other way to pay for its costs.

Any capital expenditure for equipment or other items that need to be purchased for regular use by CVU3A must have prior approval of the committee. 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 CVU3A.

4. Groups' finances

In general, it should be noted that all finances of CVU3A, and that includes the committee and individual interest groups, have to be reported to National Office on an annual basis.

No interest group should keep large balances of cash without prior approval of the Treasurer. Any Group that does have such a surplus then the surplus should be given to the Treasurer for safe keeping, such funds to be returned as required by the Group.

Each interest group must come up with a quarterly report that it can send to the Treasurer so that its income and expenditure can be included in the CVU3A accounts.

Interest Groups are to be self-financing and there can be no expectation that any surplus expenditure will be covered by the main funds. It is the responsibility of the Group convenors to ensure that they agree a budget for each activity to ensure that all costs are fully covered. Whilst technically surplus funds over and above expenditure should be

handed over to main CVU3A, it is accepted practice that these funds can be used by the group for the next event that they organise. Any long term build-up of funds is not recommended and if such surplus does arise then it must be handed over to the Treasurer for inclusion in the full U3A accounts.

4.1. Interest Group Reporting

Receipts

Receipts for any event needs to be recorded – a simple X members paid £Y with a date is good enough. Unless agreed by the group itself there is no requirement to issue physical receipts.

Expenditure

Where possible proof of expenditure should be provided (receipts from supplier/vendor etc...), a sub-total of all expenditure should be given

Summary

Total receipts less expenditure = deficit/surplus (a short note should be given as to how the deficit/surplus is to be dealt with.

4.2. Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants pay appropriately. The costs paid by members must cover out-of-pocket 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.

Out-of-pocket expenses can be paid to an organiser out of the money collected for the event. As all CVU3A members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

4.3. Payments to other charities

In line with charity law, CVU3A cannot raise funds for another charity that does not have similar charitable objectives. Where a speaker has indicated that s/he wishes a donation to be made to a charity rather than receiving a payment for speaking, CVU3A will make a payment of £50 to the speaker to donate to a specific charity.

5. Expenses Policy

Out of pocket expenses incurred by volunteers involved with running the CVU3A will be reimbursed. Expense claims must be submitted with receipts.

Expense claims will be authorised by the executive committee and no committee member should authorise their own claim.

All claims need to be made on the appropriate form (copies available from the Treasurer) giving sufficient detail as to the nature of the expense.

Mileage will be paid at the HMRC rates as published from time to time.

6. Membership Fees and membership of more than one U3A

The membership fee is reviewed on an annual basis and approved at the annual AGM. CVU3A is committed to keeping the membership subscription as low as possible to ensure that the CVU3A remains accessible to all members.

CVU3A offers a system whereby the membership fee can be adjusted for those who can provide proof of benefits received.

For CVU3A members who can evidence membership of another U3A, CVU3A will reduce the cost of membership by the amount that is paid to the Trust for each member.

7. Monthly Meetings

A small charge will be made for entrance to all monthly meetings. This charge is made to contribute to the cost of the hire of the venue, refreshments and the cost of the speaker.

8. 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.

7. Reserves

CVU3A aims to keep a level of reserves that will cover six 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.

This policy was adopted on:

Signed:

Committee role:

Print name:

Policy review date: