

# Dagenham u3a Finance Policy

## 1. The aims of this Finance Policy are:

- to protect the Charity's assets;
- to identify and manage the risk of conflicts of interest, loss, waste, theft or fraud;
- to ensure that financial reporting is robust and of sufficient quality; and
- to ensure that the Trustees comply with Charity Law and regulation relating to finance.

### 1.1 Accounts Disclosure

At the beginning of each financial year, the Treasurer will prepare a budget for the forthcoming year which should be presented to the committee. A financial statement will be presented at each committee meeting and a budget statement every three months.

### 1.2 Accounts Audit

As per our constitution we are governed by Charity Law for audit purposes. This states that the accounts of Dagenham u3a has to be independently examined if our income is over **£25,000**. However, the committee feels that it is prudent to have the accounts checked regardless of our income.

## 2. Banking

### 2.1 Bank Accounts

- All bank accounts are in the name of Dagenham u3a and operated by the Trustees.
- New accounts may only be opened by a decision of the Trustees which must be minuted, similarly when closing an account.
- Changes to the bank mandate may only be made by a decision of the Trustees, which must be minuted.
- There are currently three authorised signatories, any two of three to sign cheques. The signatories must be independent of each other, not related and not partners.
- All bank statements must be sent directly to the Treasurer.

### 2.2 Online banking

Online banking is used and dual authorisation for all payments from the current account is in place.

### 2.3 Payment by bank cards

Whilst payment by bank cards is permitted by the Charity Commission, the use of such cards by Dagenham u3a is not in accordance with the policy of dual authorisation of payments. Cards are therefore not used by Dagenham u3a.

### 2.4 Personal debit or credit cards

The use of personal debit or credit cards for activities or purchases needs to be closely managed. Supporting paperwork must always be provided for any outlay and wherever possible any invoices should be made out to **Dagenham u3a**.

### 2.5 Approval of Expenditure

Any proposed payment above the ceiling of £30 must be referred to the full Committee for approval.

## 3. Income

### 3.1 Membership Fees

The membership fee is reviewed on an annual basis. Dagenham u3a is committed to keeping the membership subscription as low as possible to ensure that our u3a remains accessible to all members.

### **3.2 Gift Aid**

Gift Aid is a scheme enabling charities to reclaim tax on a payment made by a UK taxpayer, effectively increasing the amount of the payment. Dagenham u3a is registered for Gift Aid and it is claimable on the basic membership subscription.

## **4. Expenditure**

### **4.1 Cash**

A petty cash float is maintained for small expenses, i.e. cost of refreshments at meetings. Bills must be provided for all outgoing payments and receipts for reimbursements signed. A £15 limit will be applied to all cash payments, amounts over this will be reimbursed by cheque or bank payment (BACS). All incoming cash must be banked, as per Charity Commission rules.

### **4.2 Group finances**

All interest groups are expected to be self-financing and costs of these are not included in the annual membership.

- Tickets issued for events should state "No Refunds". Consideration will be given in cases of extenuating circumstances.
- A non-refundable deposit policy should be operated if possible.
- Large amounts of cash should not be held in members' homes.
- Any necessary hall costs must be met by the attending members.
- The value of any discounts (e.g. free place) must be shared out among all participants to an event.

### **4.3 Payments to other charities**

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Dagenham u3a will make payments to speakers who have indicated that they have intended to donate their fee to a specific charity but not direct to their nominated charity. They will be asked to sign a disclaimer.

Based on the u3a Mutual Aid Principle, no payments are made to u3a members for services rendered to any u3a and as such a member cannot receive payment for a service to a u3a and they cannot suggest a donation to their designated charity from a u3a's account.

### **4.4 Trustees' Expenses**

Out of pocket expenses incurred by the volunteers who are involved with running the u3a will be reimbursed and must be submitted to the Treasurer with receipts, e.g. stationery. Expenses will include – with prior committee approval – attendance at the Trust's AGM and conference or national/regional workshops. Claims should reflect the cheapest travel option available.

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

### **5.0 Asset register**

An asset register is maintained by the Treasurer. Assets are written off over 4 years at 25% of the original price. The register is reviewed annually.

### **6.0 Reserves**

Dagenham u3a aims to keep a sufficient level of reserves to cover approximately six months of regular operating activity taking into account certain fixed costs. This is thought to be £1,500 and is considered by the committee to be a reasonable level for this type of charity.

**Charity Registration No. 1186740**