

# EAST GRINSTEAD U3A – GROUP FINANCES

Reg Charity No.1084934

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## Summary

This document explains in detail how we currently run our finances. It explains

- **WHY** we have to be careful about complying with the Charity Commissioner's rules
- **HOW** we have to go about it
- **WHAT** controls we have in place
- The current policy in respect of group expenses and the way in which they should be reported
- About the meeting attendance fee – how much is due, when and why
- **HOW** we seek to help those groups who are currently costing more to run than members contribute
- The rules regarding refreshments

Also appended a **QUICK GUIDE** to help you understand the rules at a glance.

## Charity Commission – avoidance of fraud

About 30 years ago, some individuals running charities were found to have been fraudulently taking money from their charities' accounts and this led to major changes in the rules pertaining to charity accounting such that all transactions had to be shown and not just the net result of transactions.

Previously all of the monies received from our group members had to be passed directly to the Treasurer and he/she would then pay for things on receipt of a claims form. This was becoming a cumbersome arrangement in that it was not sensible to take in a few pounds from a group and then pay out a few pounds for the Group Leader's expenses, and also to keep a separate account in the books for that group, especially as we now have so many groups.

## Group expenses

Some expenses can be incurred by the Group Leader for running that group. Groups have to be 'self-supporting' in respect of these extras, which must be paid for by the members of that group. The method of collection is a matter for the Group Leader to determine. One way is for the Group Leader to calculate the amount needed for the year, divide by the number of members in that group (numbers being determined on how many enrol at the beginning) and to collect an amount from each member to cover the forecast expenditure. A lot of groups are already using this method. A Group Leader is permitted to keep a maximum 'float' of up to £100 but must keep an accurate and up to date record of monies collected and paid out, supported by receipts, which can be inspected at any time. The size of float should be sensibly determined by the size and needs of the group.

## Reporting, control and accountability

Group leaders are individually responsible for keeping account of group income and expenses, (subject to the caveat about minor expenditure on tea, coffee, etc for refreshments at regular meetings in private homes or in hired premises).

Whenever a trip is to be undertaken it is the responsibility of the Group Leader to prepare in advance and to the satisfaction of the Treasurer a schedule of costs and income. The trip must always be planned such that all aspects of cost are covered and that there is never a planned shortfall. If numbers fall short of the planned total, the members of that trip must pay a balancing fee to ensure a break-even position.

Major items of expenditure (e.g. group tickets or coach hire) will be invoiced directly to the Treasurer and will be settled directly

Immediately after the trip, the treasurer must be sent an expenses claim form and a spreadsheet showing clearly the source and application of funds, together with receipts for each item of expenditure (excluding any tips, which must be separately itemised).

The Treasurer will reimburse the Group leader on submission of the requested claim form and spreadsheet

## **Refreshments**

Money collected from group members for refreshments may be given directly to the host/group leader without the need to pass through the Treasurer but must never be deducted from Attendance Fees. The Group Leader must keep a clear account of income and expenses. For these minimal expenditures on (e.g.) tea; coffee; etc there should be no need to keep receipts.

## **Financial Support of U3A Groups – the “Attendance fee”**

It has been the established principle of East Grinstead U3A that all of our groups are formed on a basis of mutual help. All group members are required to pay an ‘attendance fee’ at every meeting. (currently 50p per meeting in private homes or on trips, and 50p per hour, with a minimum of £1, in hired premises). This fee is based on per person per attendance, collected by the Group Leader at every meeting and then passed to the Treasurer who then pays for the rent charges on behalf of that group. The attendance fee should also be collected from attending members when external trips are made to (e.g.) theatres; museums, or walks.

As a gesture of thanks for the work involved in leading a group, group leaders are exempted from paying the attendance fee levied on their own group.

If each group were required to be ‘self-supporting’ in terms of their rental charges, some groups could not exist at all and this would be against the ethos of the U3A.

Some large groups collect more attendance fees per meeting than is required to cover their rent. The excess is used to subsidise those groups who could not meet their rental cost from the fees collected within that group – thus a mutual aid society is established. Without prejudice to the ‘mutual aid’ philosophy, but here groups in hired premises are clearly running at a deficit they will be encouraged to review their venue(s) to determine if less expensive accommodation can be found.

If the total amount of attendance fees received in the year starts to fall short of the total amount of rental charges paid in the year the Committee has to consider an ‘across the board’ increase in the attendance fees and/or the annual membership charge in order to balance the books. It should never become necessary for any one group to have to increase its attendance fee in order to pay an increased demand for rent.

## **Non-Attendance**

A member unable to attend a group meeting is not required to pay the attendance fee for that non-attendance. This reduces our total income, but the Committee has decided that the ‘attendance fee’ should mean what it says! However, if a member of a group is consistently non-attending, the Group Leader has the discretion to ask that member to leave in order to make way for someone who is keen to join that group.

# A quick guide to the rules

## Registration

Each group must maintain an ATTENDANCE REGISTER, which must be retained by the Group Leader. This must be kept in a form suitable for sending to the MEMBERSHIP SECRETARY and/or the TREASURER on request. Standard forms will be provided in Excel and Word format

## Attendance and fees

All attendance fees must be submitted on a standard Group Meetings Record form which must be completed session by session as they occur & then submitted to the Treasurer with the attendance fees. No fee is due in case of non-attendance.

As a gesture of thanks for the work involved in leading a group, group leaders are exempted from paying the attendance fee levied on their own group.

Attendance fees must be remitted to the TREASURER:-

- **Monthly**, after the last session of that month, for groups using hired venues
- **At the end of terms** at Christmas, Easter & Summer for groups using Private venues.
- All attendance fees must be sent in as soon as possible after the end of the summer term, so that they can be processed before the end of our financial year on 31st August.

## Group Floats

Group leaders may hold a float of up to £100 to cover group expenses. But it is expected that smaller groups will only require a correspondingly smaller float. If a larger float is necessary please refer to the Treasurer.

## Expenses

Receipts for expenses should be obtained & retained by the Group Leaders and should be submitted attached to any EXPENSES CLAIM form.

## Refreshments

Refreshment expenses cannot be deducted from attendance fee income

## Trips and outings

- Where it is necessary to make a payment for a large item in advance this must be made via the Treasurer. Invoices and receipts must be provided as evidence accordingly.
- Trips must be self-supporting. Plan in advance and report against the plan. Aim to ensure that you can cover all costs even if there is a shortfall in take-up of places (e.g. a coach is not filled to the planned capacity.)
- All members on a trip should pay the same amount. There should be no free or subsidised place for a group leader.