

Epsom & Ewell U3A **Financial Policies and Controls**

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1. The purpose of these financial policies and controls is:

- to protect the Epsom & Ewell U3A's (E&EU3A) assets;
- to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud;
- to ensure that financial reporting is robust and of sufficient quality;
- to ensure that the Trustees comply with charity law and regulations relating to finance;
- to protect the Trustees against the charge of failing to protect E&EU3A's assets and funds; and
- to ensure Trustees, Group Leaders and other helpers do not suffer any financial loss related to the running of E&EU3A.

2. Protection of E&EU3A's assets

a) Income

- i) All subscription income is to be banked by the Membership Secretary into the E&EU3A's Lloyds Bank current account and a membership card issued as a receipt. The Membership Secretary should send an email to the Treasurer each month showing all money paid into the bank account.
- ii) Monies received from members for social outings, theatre trips and other events are to be receipted and banked by the Social Secretary in E&EU3A's Lloyds Bank current account. The Social Secretary should send an email to the Treasurer each month showing all money paid into the bank account. Income should be banked gross without deduction of costs or expenses. Records must be maintained for each event to identify gross receipts or takings and costs incurred.
- iii) Any other income is to be banked into the E&EU3A's Lloyds Bank current account by the Treasurer.

b) Payments

- i) Dual Payment Signatories – The E&EU3A Executive Committee will appoint up to 6 authorised bank account signatories. These should include the Chairman, Treasurer, Secretary, Membership Secretary, Social Secretary and one other Trustee.
- ii) Payments for social outings, theatre trips and other events will be made by the Social Secretary from the E&EU3A's Lloyds Bank current account and authorised by a different bank signatory. The Social Secretary should send an email to the Treasurer each month showing all money paid out of the bank account.
- iii) All other payments will be raised either by the Treasurer or the Chairman from the E&EU3A's Lloyds Bank account, and authorised by a different bank

signatory. The Chairman should send an email to the Treasurer each month of all money paid out of the bank account.

c) Petty Cash

- i) Petty cash should only be drawn from the E&EU3A Lloyds Bank account to cover specific expenses, e.g. driver's gratuities.
- ii) A petty cash float of up to £300 may be drawn from the E&EU3A Lloyds Bank current account for use at Open House but must be banked promptly following the event.
- iii) All other payments should be made by cheque or bank transfer.

d) Fixed Assets

E&EU3A equipment is to be documented in the Asset Register by the Treasurer.

e) Bank Accounts

The Treasurer should ensure that no bank account exceeds the FSA guarantee limits. Any new bank accounts are to be authorised by the Trustees.

f) Accounting Records

- i) The Treasurer must maintain a record of all income and expenditure and the current financial status, in sufficient detail to enable the Trustees to manage E&EU3A finances and assets.
- ii) The cash book should be reconciled monthly to the bank statements.
- iii) The accounts and supporting documentation should be made available to all Trustees if they wish to review them.
- iv) The Treasurer must present an annual Statement of Accounts, which has been inspected by an independent examiner, to the AGM and answer any questions from the membership.
- v) Once Beacon 2 is operational, the use of Beacon for recording financial transactions will be introduced and subsequently maintained by the Treasurer. The Membership Secretary will record all subscriptions received on the Beacon system. All other Executive Committee members will have read only access to the Beacon Financial Ledger.

3. Identification and management of the risk of conflicts of interest, loss, waste, bribery, theft or fraud

a) Segregation of duties

No individual will have sole responsibility for any transaction, from authorisation to completion and review.

b) The Annual Budget

A budget is to be created each financial year by the Treasurer showing income and expenditure and incorporating budgets for the spending Groups, prior to the setting of the membership fee by the Executive Committee for the following year.

The Executive Committee will debate and approve the budget and this will constitute an authority for spending in the year. Trustees should bring any proposed deviations from their budget to the Executive Committee for approval. The actual performance will be tracked against the budget at each Executive Committee meeting and action taken as required.

c) Reserves

E&EU3A will aim to maintain Reserves of at least 6 months' operating costs to provide a financial buffer for unexpected costs. This will be reviewed as part of setting the annual budget.

d) Purchases & Payments

The Executive Committee should authorise all purchases, either through the budget process, or for specific items as a requirement arises. The budget will include annual allowances for expenditure on social outings and theatre trips but the individual outings can be decided by the Social Secretaries and Theatre Trip Organisers within these limits. These authorisations should be recorded in the minutes. Trustees must ensure they have the relevant authority before committing to any expenditure. An Officer and one other Trustee can approve items up to £200 if the item needs purchasing before Executive Committee approval can be obtained. Any contracts are to be signed by the Chairman or the Treasurer.

e) Expenses

Legitimate expenses such as travel on trustee business, postage costs, stationery and telephone calls should be authorised/reimbursed by either by a cheque signed by 2 cheque signatories or by bank transfer set up by one signatory and authorised by a second signatory. No one should sign his/her own expenses cheque or set up/authorise his/her own reimbursement by bank transfer. Receipts must be provided for all reimbursed expenses.

4. Group Finances

- a) All Groups must be financially self-supporting.
- b) All monies received by the Group Leader are to be recorded.
- c) When a group holds regular meetings in a hall a fee should to be set for a fixed period which group members pay up front. The cost of the venue must be shared between the group members.
- d) Where there is a standing arrangement for hire of premises, the payment for the hire and the monies collected to fund the activity, should go through the E&EU3A's Lloyds Bank current account. The contractual agreement for the hall hire should be made by the E&EU3A and should be signed by a Trustee.
- e) Other expenses up to a maximum value of £350 can be paid out of cash received from group members providing receipts are obtained and records kept of such expenditure.

- f) Group Leaders are entitled to be reimbursed for any costs relating to the running of the Group and should not suffer any financial loss.
- g) Group Leaders are authorised to hold up to £350 in cash. A National Office insurance policy covers E&EU3A cash held in members' homes, hired premises and in transit, up to £1000.
- h) Any surplus group funds in excess of £350 should be banked in E&EU3A's Lloyds Bank current account. These funds will be 'ring-fenced' and used only for the purposes of the group unless the group is disbanded in which case the funds will belong to E&EU3A.

5. Ensuring that financial reporting is robust and of sufficient quality

- a) The Executive Committee shall determine the financial controls and procedures to be followed by E&EU3A in accordance with the Constitution.
- b) The Trustees will conduct an annual review of financial controls to assess their appropriateness.
- c) The Treasurer should present interim accounts to the Trustees at each Committee meeting and draw attention to any financial issues.

6. Ensuring that the Trustees comply with charity law and regulation relating to finance

- a) When preparing the annual accounts the Treasurer should check that they comply with charity regulations and disclosure requirements.
- b) Each year the Treasurer should submit the examined accounts to the Charity Commissioner before the applicable deadline.
- c) Accounting records should be kept for 6 years.