

## Purpose of this Policy

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls, or Finance Policy.

## Trustees’ financial responsibilities

The trustees of Hamble Valley u3a 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 u3a.

Trustees are jointly responsible for keeping full financial records. These include those of the u3a and all the interest groups, sub-groups etc., where appropriate. All funds and assets belong to Hamble Valley u3a regardless of which activity or interest group creates them, so the trustees are responsible for their safe keeping.

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 website.

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

## 1. Banking

### 1.1 Bank accounts

- All bank accounts are in the name of Hamble Valley u3a 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 must be trustees and this responsibility cannot be delegated.
- All cheques must be signed by two signatories.
- The signatories are responsible for examining the cheque for accuracy and completeness before it is signed.
  
- The signatories are responsible for examining the backup documentation (purchase invoice etc.) prior to payment being made.
- All bank statements must be sent to the Treasurer directly.

- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.
- Whenever practical two people should be involved in counting cash receipts.

## 1.2 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 Lloyds Bank and in accordance with the mandated approval limits.

Online Banking will be used wherever possible, unless a cheque has been requested.

## 1.3 Personal debit or credit cards

The use of personal debit or credit cards for any Hamble Valley u3a activity needs to be closely managed. Permission must be sought from the committee where it is felt that there is no other viable way to make payments.

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Hamble Valley u3a. 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 Hamble Valley u3a where possible.

## 2. Groups' finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members deem necessary to undertake their activities. The funds of these groups belong to the u3a. Groups are permitted to make any expenditure deemed necessary by the group members and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf, as appropriate.

Should a group member resign and take no further part in a group's activities no refund of monies paid into that group's ring-fenced funds will be made to the resigning member as the group may remain active with funds held to cover its future monetary commitments.

The Treasurer will provide a process for recording financial transactions in order to:

- Allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the trustees and to meet regulatory requirements.
- Allow the group members to understand how their monies are being managed.
- Maintain transparency and trust for all concerned.

- Minimise the risk of error and potential loss of funds.
- Allow each group to maintain a maximum of £50 cash float.

## 2.1 Receipts

To manage the handover of cash and cheques to be paid into the Hamble Valley U3A bank account the committee has decided that:

- Bank paying in slips will be given to groups for this purpose.
- The Treasurer must be notified by the group contact/treasurer that monies have been banked.
- Groups may not pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts will need to be given to groups or acknowledged by email.
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer.
- Cash held back for cash flow purposes will be within the u3a's approved limit of £50.00.

## 2.2 Payments

The committee will inform relevant groups as to the approved process for payments relating to:

- When a trip is organised by and paid through the u3a or paid directly by the members to the trip organiser.
- When payments may be deducted from activity revenue:
  - Venues
  - Coaches
  - Tutors
  - Speakers
  - Other
- When payment for venues, coaches, tutors, speakers etc must be paid by the u3a.
- Deposits to secure bookings and safeguard venues used by a group, or groups will be paid by the u3a and not from group funds. Venues will be requested to hold one deposit only irrespective of the number groups using a venue, though this may not always be agreed. Should a deposit be withheld by / forfeited to the venue's booking office due to damage or failure to comply with the venue's regulations, it will be the responsibility of the current membership of the group at fault to refund such deposit to Hamble Valley u3a. The u3a will arrange for replacement of the venue's deposit should that be necessary.

Outside speakers should be asked to state their fees and any travel costs at the time of booking. Wherever possible fees will be paid online direct to the Organisation from the HVu3a account, otherwise a cheque can be obtained from the Treasurer.

The committee (via the Treasurer) will monitor the income and expenditure of the groups. Group contacts need to provide regular information, as agreed, to the Treasurer. Where groups do not comply then the committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

## **2.3 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 u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

The Social Treasurer will report monthly to the Committee and at the end of the year the accounts will be examined in line with u3a policy.

## **2.4 Payments to other charities**

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Hamble Valley u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not direct to their nominated charity.

## **3. Expenses policy**

General expenses incurred by a Member in the furtherance of the activities of Hamble Valley u3a must be authorised prior to purchase and can be reclaimed if accompanied by evidence of expenditure.

Travel expenses incurred on behalf of Hamble Valley u3a can be reclaimed and must be authorised prior to travel. These expenses can be reclaimed on the appropriate travel claim form and must be accompanied by evidence of expenditure. Mileage allowance will be reviewed annually by the Committee. Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the executive committee.

## **4. Membership Fees and membership of more than one u3a**

The membership fee is reviewed on an annual basis. Hamble Valley u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Hamble Valley u3a can offer a system whereby the membership fee can be adjusted for those who can provide proof of benefits received.

For u3a members who can evidence membership of another u3a, Hamble Valley u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

## **5. 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.

## **6. Speaker Policy**

Outside speakers should be asked to state their fees and any travel costs at the time of booking. Bookings must be in the name of Hamble Valley u3a. Fees will be made via online banking where possible unless a cheque has been requested.

Hamble Valley u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not directly to the charity. It is the speaker's responsibility to make a payment to their chosen charity.

The speakers' fee should not exceed £100 without prior authorisation by the Committee.

## **7. Reserves**

The Committee will consider on a regular basis if the reserves are appropriate for the circumstances at that time. The figure should include a maximum of one year's running costs, to allow for any extraordinary costs, and known extraordinary expenses, replacement of assets and a contingency for unexpected or emergency happenings. A budget for the following financial year will help this process. Should the reserves become unnecessarily high, the Committee should consider reducing the subscription and/or the purchase of a capital item that will benefit a large proportion of the membership or a workshop, conference or educational visit. Under no circumstances should excess reserves be repaid to members.

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.