

**u3a Harborne and Edgbaston**  
(Registered Charity Number: 1101356)

**FINANCE POLICY**

**1. Committee Members' Financial Responsibilities**

- 1.1 The Committee Members of u3a Harborne and Edgbaston ('u3a H&E') are responsible for:
- a. Safeguarding u3a H&E's assets
  - b. Identifying and managing the risk of loss, waste, theft or fraud
  - c. Ensuring the financial reporting is robust and of sufficient quality
  - d. Keeping financial records in accordance with the with the u3a H&E Constitution, Charity Law and the reporting requirements as set down by the Third Age Trust
  - e. Preparing Annual Accounts in accordance with the u3a Constitution and relevant legislation
  - f. The accounts should show a true and fair view of the state of affairs of the u3a H&E
  - g. Protecting the Committee Members against the charge of failing to protect u3a H&E's assets and funds
  - h. Ensuring Trustees and Group Co-ordinators do not suffer any financial loss related to the running of u3a H&E.
- 1.2 Committee Members are jointly responsible for keeping full financial records. Following detailed discussions between the Third Age Trust and the Charities Commission u3a H&E has been advised that ALL income and expenditure of u3a H&E's charitable activities (i.e. all its activities) must be reported in its annual financial statements. This encompasses ALL income and expenditure, whether it be for membership fees, group activities, main meetings or trips/outings.
- 1.3 To enable the Committee Members to carry out these responsibilities, the financial procedures detailed below will be followed.
- 1.4 A copy of this policy will be given to all Committee Members on their election/appointment to the Committee and made available to members on the website.

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

## **2. General Financial Procedures**

The Treasurer maintains a record of all income and expenditure and the financial status, in sufficient detail to enable the Committee Members to manage the finances and assets. The accounts and supporting documentation are available and should be monitored by the Committee Members and annually the accounts must be inspected by an independent examiner. The Treasurer will provide a statement of accounts to the AGM and answer questions from the membership.

## **3 Banking**

### **3.1 Bank Accounts**

- a. All bank accounts are in the name of Harborne and Edgbaston u3a and operated by the Committee Members.
- b. New accounts may only be opened by a decision of the Committee Members, which must be minuted.
- c. Changes to the bank mandate may only be made by a decision of the Committee Members, which must be minuted.
- d. The authorised signatories must be selected from current Committee members and registered with the Charities Commission i.e. Chair, Vice-Chair, Secretary and Treasurer and/or other Committee Members. This responsibility cannot be delegated.
- e. Bank accounts must be arranged to provide dual authorisation for the issue of cheques and three signatories should be registered with the bank. All cheques must be signed by two signatories.
- f. The signatories are responsible for examining the cheque for accuracy and completeness.

- g. The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an internet transfer.
- h. All bank statements must be sent to the Treasurer directly.
- i. Blank cheques will never be issued.
- j. Whenever practical two people should be involved in counting cash receipts.
- k. Tracking all income and expenditure will be maintained by the Treasurer and reconciled monthly against the bank statement, reviewed by a second Trustee and any discrepancies resolved.

### **3.2 Online Banking**

Where online operation of the bank accounts is in place only individuals approved by the Committee will have access to this facility. Currently the Treasurer has sole access to online banking. The security of the online system is in line with the arrangements offered by the current bankers and in accordance with the mandated approval limits which currently stand at a maximum of £2000 per day.

### **3.3 Personal Debit or Credit Cards**

- a. The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission must be sought from the Committee where a group feels that there is no other viable way to make payments.
- b. Prior approval must be given by the Committee for equipment and other items to be purchased for the use of u3a H&E or specific interest groups. In these circumstances, it may be appropriate for a member to purchase the equipment themselves and then claim the cost back by filling in an expense claim form and supplying the appropriate receipt/s.
- c. All invoices must be issued in the name of u3a H&E.

## **4. Groups' Finances**

### **4.1 Larger Meetings**

Groups' Co-ordinators occasionally organise larger meetings where they need to collect large sums of money in advance of a specific event involving coach transport to and paid entry into venues such as a garden, stately home or a museum. On such occasions monies collected by Group Co-ordinators should go through the u3a H&E bank. The Group Co-ordinator and Treasurer should keep an agreed account of the monies collected. The Treasurer will issue cheques/cash as needed to the Group Co-ordinator who will in turn provide the necessary receipts.

### **4.2 Receipts**

- a. To manage the handover of cash and cheques to be paid into the u3a H&E bank account the Committee has decided that:
  - i. Bank paying in slips will not be given to Group Co-ordinators for this purpose.
  - ii. Group Co-ordinators may not pay sums due by issuing their own cheque or paying online through their own bank account.
  - iii. Where applicable receipts will need to be given to Group Co-ordinators, or acknowledged by email.
  - iv. Where net sums are being paid over this needs to be fully demonstrated to the Treasurer.
  - v. Cash held back for cash flow purposes will be within u3a H&E's approved limits (they will vary by activity).

### **4.3 Payments**

- a. The Committee will inform relevant Group Co-ordinators as to the approved process for payments relating to:
  - i. When a trip is organised by and paid through u3a H&E or paid directly by the members to the trip organiser.
  - ii. When payments may be deducted from activity revenue:
    - Venues
    - Coaches
    - Tutors
    - Speakers

#### Other

- iii. When payment for venues, coaches, tutors, speakers etc. must be paid by u3a H&E.
- b. Outside speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer.
- c. Where the Committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice u3a H&E as agreed.
- d. The Committee (via the Treasurer) will monitor the income and expenditure of the groups. Group Co-ordinators 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.

#### **4.4 Social Activities**

- a. 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.
- b. 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.
- c. Out-of-pocket expenses can be paid to an organiser out of the money collected for the event. As all u3a H&E members offer their services free to the u3a Movement, the organiser(s) must not get any pecuniary reward for organising an event.
- d. Cancellations by members of a group who have already made a payment, must occur within a given time frame or monies already collected will not be refunded

#### **4.5 Payments to Other Charities**

In line with Charity Law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. u3a H&E 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. A collecting box for a charity is permissible.

## **5. Expenses Policy**

- 5.1 Out of pocket expenses incurred by the volunteers who are involved with running u3a H&E will be reimbursed. The Expenses Claim Form is available on the u3a H&E website. Expenses claims must be submitted with receipts. Expenses claims will be authorised by the Committee and no Committee Member should authorise their own claim. Expenses will include – with Committee approval – attendance at the Third Age Trust's AGM and Conference or national/regional workshops.
- 5.2 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.
- 5.3 Expenses claims should reflect the cheapest travel option available. Travel by car will be reimbursed at 30p per mile for fuel.
- 5.4 Car parking and congestion charges can be reclaimed (with the current receipts) but parking or other fines will not be allowed.
- 5.5 Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the executive committee.
- 5.6 No payment is permitted to members for lecturing, tutoring or other work. Legitimate expenses such as stationery and postage can be reimbursed on the provision of relevant receipts.

## **6. Membership Fees and Membership of more than one u3a**

- 6.1 The membership fee is reviewed on an annual basis. u3a H&E is committed to keeping the membership subscription as low as possible to ensure that u3a H&E remains accessible to all members.
- 6.2 There is a reciprocal agreement in place through the South Birmingham Network.

## **7. Reserves**

- 7.1 Reserves may only be spent in furtherance of u3a H&E objectives in accordance with the Constitution. They are required to ensure continuity of u3a H&E in the event of a sudden drop in income. They should be available to:
- a. cope with unexpected and unplanned increases in expenditure
  - b. replace assets
  - c. allow for development plans
  - d. cover future equipment demands
  - e. deal with emergency situations
  - f. allow a managed closure of u3a H&E
- 7.2 u3a H&E reserves therefore provide a contingency for expenditure over and above day-to-day commitments and other planned outgoings.
- 7.3 Committee Members have resolved that in line with the Third Age Trust's recommendations, our reserves should not fall below six months of the u3a H&E's annual running costs.
- 7.4 The Committee Members will do their best to ensure that reserves are maintained at the set level. However, if in the future we find ourselves with surplus funds above and beyond our reserves on no account will we refund monies to members but we will ensure there is no further increase in membership fees until the excess is reduced.
- 7.5 The level of reserves held throughout the year should be monitored at Committee Meetings at least twice a year.
- 7.6 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.

## **8. Budgeting Procedures**

- 8.1 A budget is to be created by the Treasurer, each financial year, showing income and expenditure, prior to the setting of the membership fee for the following year. The Committee will undertake a review of budgets for proposed activities and broadly allocate funds accordingly whilst making due allowance for maintaining an agreed

level of reserves as recommended by the Charity Commission or the Third Age Trust. Gift aid will be claimed according to HMRC rules.

## **9. Asset Register**

- 9.1 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.
- 9.2 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.

Adopted: November 2019, based on The Third Age guidelines in place at the time

Editorial Review: June 2021 and adaptation following u3a-KMS—POL-003 Financial Policy Template, dated 25/11/2021

Further review: October 2023