

HARROGATE u3a FINANCIAL POLICY AND PROCEDURES

Document Control

Approval

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Approved by	Harrogate u3a Committee (Trustees)

Version history

Version	Date	Author	Change summary
1	5 February 2022	Stella Barclay (Secretary)	New document
2	25 April 2022	Stella Barclay (Secretary)	Various changes throughout, taking account of feedback from Committee members and the general membership

Introduction

All charities are required to determine their Internal Controls for running a charity, one of these being the Financial Controls, or Financial Policy and Procedures.

A financial policy may simply be a documentation of the current unwritten procedures of a u3a from which a more detailed policy may evolve.

The Trustees of Harrogate u3a are the Committee members.

Trustees' Financial Responsibilities

The Trustees of Harrogate u3a are responsible for:

- safeguarding the assets of the charity;
- identifying and managing the risk of loss, waste, theft or fraud;
- ensuring financial reporting is robust and of sufficient quality;
- keeping financial records in accordance with the governing document and relevant legislation, e.g. Charities Acts;
- keeping all financial records and receipts for a minimum of six years;
- preparing Annual Accounts in accordance with the governing document and relevant legislation; and
- ensuring the accounts show a true and fair view of the state of affairs of Harrogate u3a.

The Trustees are jointly responsible for keeping full financial records. These include those of Harrogate u3a and all the interest groups, sub-groups etc, where appropriate.

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/co-option to the Committee and made available to Harrogate u3a members on the website.

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

Bank Accounts (Trustees and Interest Group Representatives)

- All bank accounts will include Harrogate u3a in the name and are operated by the Trustees or interest group representatives.
- New Harrogate u3a accounts may only be opened by a decision of the Trustees, which must be minuted.
- Groups opening bank accounts must inform the Group Co-ordinator regarding how these accounts will be managed – see below.
- Changes to Harrogate u3a bank mandates may only be made by a decision of the Trustees, which must be minuted.
- The authorised signatories for the Harrogate u3a bank account are the Chair, Treasurer and two other trustees.
- For the Harrogate u3a bank account, all cheques must be signed by two of the above.
- For interest group bank accounts, the Trustees advise that all cheques are signed by two out of three agreed representatives named on the bank mandate.
- The signatories are responsible for examining cheques for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing a cheque or authorising an internet transfer.
- All bank statements must be sent to the Treasurer or interest group representatives directly.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second signatory to complete later.
- Whenever practical two people should be involved in counting cash receipts.
- Cash balances, wherever they are held, should be kept to a minimum to reduce the risk of loss or theft.
- The Trustees will advise what an appropriate float should be.
- Using cash collected from members to meet expenses related to the activity they are attending is acceptable. Expenses may include local hall fees.

Online Banking (Trustees and Interest Group Representatives)

Where online operation of Harrogate u3a bank accounts is in place, only Trustees approved by the Committee will have access to this facility for the Harrogate u3a account. The security of the online system for the main u3a account is in line with the arrangements offered by the bank and in accordance with the mandated approval limits.

Only approved interest group representatives will have access to online banking for a group Harrogate u3a account. The security of the online system for such an account is in line with the arrangements offered by the relevant bank and in accordance with the mandated approval limits, and in line with recommended good practice.

Payment by Bank Cards (Trustees and Interest Group Representatives)

Operation of the online banking service is under the control of the Treasurer who has full access rights and is responsible for assigning the appropriate delegate rights, as agreed

by the Committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate.

Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.

The issue of any bank debit card for the Harrogate u3a main bank account will be approved by the Trustees.

The use of these cards overrides the dual control aspect of the payment authorisation process but is permitted where agreed in advance. This is in recognition that online purchases for certain goods and services represents the most effective, and in some cases, the only method of completing the purchase, e.g. theatre tickets. The Committee will determine the spending limits for any card: per transaction/day/month.

Harrogate u3a holds [state which business debit card]. This is held by the [Treasurer/Secretary]. All transactions made using this card appear promptly on the appropriate statement and is subject to review by the nominated officers through the online banking service. All such payments must be supported by an invoice or receipt made out to Harrogate u3a.

Personal Debit or Credit Cards (Trustees and Interest Group Representatives)

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.

When looking to purchasing equipment and other items costing more than £100 for the use of Harrogate u3a or specific interest groups, the Committee should be consulted to ensure no duplication. 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 Harrogate u3a.

Group Finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members and group leadership deem to be necessary to undertake their activities. While these monies come under the purview of Harrogate u3a Trustees, they trust Groups' abilities to manage their own finances on a day-to-day basis.

Exceptionally, a loan may be awarded by the Trustees. A group would need to make a case for this and it would be subject to terms and conditions that include repayment details.

The Trustees will inform relevant group leaders about the approved process for payments relating to:

- a trip paid through Harrogate u3a, or paid directly by the members to the trip organiser;
- when payment for venues, coaches, speakers etc must be paid by Harrogate u3a.

Outside speakers should be asked to state their fees and any travel costs at the time of booking, and payment arranged accordingly.

The Treasurer, Group Co-ordinator and Group Leader(s) need to agree what records groups need to keep of their 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; and
- allow group leaders to maintain cash floats.

The Trustees will monitor the income and expenditure of the groups. Group leaders need to provide regular information, as agreed. Where groups do not comply, the Trustees will review whether the group is operating legitimately in line with insurance and financial requirements.

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 in 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.

Payments to Other Charities

In line with charity law, Harrogate u3a cannot raise funds for another charity that does not have similar charitable objectives. Harrogate u3a will pay speakers who have indicated that they intend to donate their fee to a specific charity but will not pay directly to the speaker's chosen charity.

Expenses Policy

Out-of-pocket expenses incurred by volunteers who are involved with running Harrogate u3a will be reimbursed. Claims for expenses must be submitted with receipts. These claims will be authorised by the Committee and no Committee member should authorise their own claim. Expenses could include (as a delegated representative of Harrogate u3a) attendance at the Third Age Trust's AGM and Conference or national/regional workshops.

All claims need to be made on the appropriate form (available from the Treasurer or Secretary) giving sufficient detail of the nature of the expense.

Expense claims should reflect the cheapest travel option available. Travel by car will be reimbursed at the current HMRC-approved rate for the actual mileage travelled. Car

parking and congestion charges can be reclaimed (with receipts) but parking fines/other fines will not be allowed.

Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the Committee.

Membership Subscriptions

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

Buying Equipment and maintaining the 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 written off fully against receipts in the year of purchase. The register is reviewed annually.

Reserves (Harrogate u3a Bank Account)

Harrogate u3a aims to keep a level of reserves in the main account that will cover its regular operating activity.