
Hartlepool and District u3a

FINANCE POLICY

REVISED NOVEMBER 2022

1. Trustees' Financial Responsibilities

The trustees of the 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. To enable the trustees to carry out these responsibilities, the financial procedures detailed below will be followed.

This policy will be available on the website and brought to the attention of all trustees on their election/appointment to the Committee. A paper copy can be provided on request.

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

2. Banking

2.1. Bank Accounts

- We have a single bank account in the name of Hartlepool and District U3A, which is 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 are the Treasurer and at least 2 other Trustees. This responsibility cannot be delegated to non-Trustees.
- All cheques must be signed by two Trustees, who are responsible for examining the cheque for accuracy and completeness; and for examining the payment documentation (purchase invoice etc.) prior to signing the cheque.
- We use paperless banking. The Treasurer is responsible for downloading statements.
- Blank cheques will never be issued and will never be signed by one signatory for a second to complete later.
- Whenever practicable two people should be involved in counting cash receipts.
- Cash and cheques received by Trustees, Group Leaders and other members may be:
 - passed to the Treasurer (or other deputising Trustee) for banking.
 - paid into the U3A's account using a paying in book supplied by the Treasurer, with supporting documentation passed or emailed to the Treasurer.

2.2. Online Banking

Only trustees approved by the Committee will have access to this facility. The use of online banking overrides the dual control aspect of the payment authorisation process, but is permitted as specified in section 2.5.

The security of the online system is in line with the arrangements offered by NatWest bank.

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 delegated rights, as agreed by the Committee and in accordance with the bank mandate.

The Chair also has access to the online banking service in order allow independent oversight of the operation of the account. The Chair is not permitted to make online payments.

2.3. Payment by Bank Cards

Only trustees approved by the Committee will have access to this facility. The issue of any bank debit or credit card in the name of Hartlepool and District U3A will be approved by the Committee. The use of these cards overrides the dual control aspect of the payment authorisation process, but is permitted as specified in section 2.5.

The U3A currently holds 1 business debit card but no credit cards. The card is held by the Treasurer. All transactions made using this card appear immediately on the appropriate bank account and are subject to review by the Chair through the online banking service. All such payments must be supported by an invoice or receipt made out to the U3A.

2.4. Personal Debit or Credit Cards

The use of personal debit or credit cards 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. All invoices must be issued in the name of Hartlepool and District U3A.

2.5. Control of Single-Authorisation Transactions

For transactions that do not have dual authorisation, i.e. those involving online banking or bank cards, the following additional controls shall apply:

- All payments to be supported by an invoice or receipt.
- Normal single payment limit to be £100. It would not be acceptable to split a purchase over two or more transactions in order to get it under the £100 limit.
- Payment above £100 will need pre-authorisation by a second Committee member. For larger capital items, the purchase is to be approved by the Committee as a whole and minuted.
- Regular annual payments to the Third Age Trust or Northumbria U3A can be considered as pre-authorised.
- All single-authorisation payments since the previous Committee meeting must be noted on the financial summary presented to the Committee.

2.6. Payments to Other Charities

In line with charity law the u3a does not have the power to raise funds for, or make payment to, another charity unless their charitable objectives are similar. This is a fundamental part of charity law as all money raised by any charity must be spent on its own charitable objectives. If a u3a member wishes to support a charity that does not have similar objectives then the proceeds of, say, a raffle at a u3a Quiz which a u3a member has organised should be remitted to the nominated charity via a member's account, and **not** the u3a.

Based on the u3a's Mutual Aid Principle, **no payments can be made to members for services rendered to any u3a**. As a member cannot receive payment for a service to a u3a (such as a talk at a Monthly Meeting, etc), they cannot suggest a donation to their designated charity from a u3a's account. If a **non-u3a member** nominates a charity to receive the speaker's fee, the u3a cannot directly pay the charity unless the nominated charity has similar objectives and the speaker provides a disclaimer of their fee and/or expenses in favour of the nominated charity. This needs to be recorded in advance and can be done in one of the following two ways:

- If the speaker is to be paid in cash or by a cheque made payable to them, they must sign a receipt for the u3a's records and then hand the value of the fee to the charity of their choice.
- Alternatively the Speaker can sign a declaration as shown in Appendix C and then the fees can be paid directly to the charity.

In both cases, it will be recorded in the account as "speaker fees." A charity may purchase goods and services from another charity, e.g. hall hire.

2.7. Emergency Situations

It is accepted that emergency situations (e.g. medical emergencies) may arise where it is not practicable to follow the above procedures. In such instances, Trustees, Group Leaders and other members should act in the best interests of those involved in the emergency. The incident should be brought to the attention of the Treasurer or other Committee member as soon as reasonably practicable.

3. Discounts

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 discounts must be shared out among all participants to the event.

4. Expenses Policy

Out of pocket expenses incurred by the volunteers who are involved with running the U3A will be reimbursed. Expense claims must be authorised by two members of the executive Committee and no Committee member should authorise their own claim. In the case of expenses incurred by a group, the Group Leader may authorise the claim in lieu of one of the Committee members.

All claims need to be made on the form in Appendix B, giving sufficient detail as to the nature of the expense. Receipts will be required for most things, but are not practicable for mileage claims, phone calls, printing, etc. When authorising a claim, an assessment should be made as to whether the amounts are reasonable.

Expenses may include attendance at the Trust's AGM and Conference, Northumbria U3A meetings or national/regional workshops. Attendance at such meetings should normally be discussed and authorised by the Committee in advance, though if an event is advertised at short notice the Chair or Treasurer have discretion to authorise attendance (but not to self-authorise).

Expense claims should reflect the cheapest practicable 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). Fines for parking, speeding etc. will not be allowed.

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

5. Membership Fees

The membership fee is reviewed on an annual basis. The U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members.

For U3A members who can evidence full membership of another U3A, Hartlepool and District U3A will reduce the cost of membership by the amount that is paid to the Trust for each member.

6. 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. The register excludes consumables and items of low cost (e.g. computer cables).

All assets will be depreciated at a nominal rate of 20% of original purchase price per year. The register is reviewed annually and presented as part of the annual accounts.

It should be noted that under a receipts and payments reporting system, all assets are effectively fully written off against receipts in the year of purchase.

Any assets purchased by one of the interest groups remain the property of the u3a and not the group.

7. Annual Accounts

The financial year runs from April to March. The Treasurer will prepare a set of accounts at the start of April and present them for independent examination. The Examiner need not be an accountant but cannot be a member of Hartlepool and District U3A nor have close family ties with Hartlepool and District U3A.

After examination, the Treasurer will present the accounts to the Committee. A summary will then be presented at the AGM in June and approval sought from the membership. The summary will include the Income and Expenditure account, Balance Sheet, Asset Register and a statement of the amount ring-fenced for each group.

8. Reserves

The U3A aims to keep a level of reserves that will cover 6 months of regular operating activity. This is considered by the Committee to be a reasonable level for this type of charity.

9. Insurances

9.1. General Provisions

All u3as which are fully paid up members of the Third Age Trust have the benefit of the nationally provided public liability, products liability, Charity trustees Management liability, and cyber insurance cover, as detailed on the TAT website.

Public liability insurance is intended to indemnify the u3a against compensation following injury, or property damage sustained to others, as a result of an activity. Legal liability to another person can arise in a number of ways but by far the most common is negligence. Public liability does not cover pure accidents where no legal liability has been established.

Product liability protects the u3a against claims arising from injury or damage sustained by a product supplied by us for which we are held legally liable.

Insurance is set up to protect all u3a members and includes 'member to member' cover so if somebody is injured undertaking a u3a activity and legal liability could be proven against another member, the insurers will deal with it. This means that Group Leaders/Convenors are protected should there be a claim made against them personally for damages following an incident in their group.

The u3a should not admit liability or fault on the part of themselves or other members (particularly in the event of member vs member claims), even where they believe that this is the case. The insurers reserve the right to make this determination and would have the right to refuse cover if liability had been admitted. In the event of a claim arising, it is important to let the Third Age Trust know at the earliest opportunity.

A critical component to insurers accepting the Public Liability risk for the u3a is that it is a membership organisation with all members signing up to, and complying with, the terms and conditions of membership. To this extent all individuals who want to participate in u3a activities should be members in order that this principle is upheld and to avoid any potential problems with claims. In general **non-members are not therefore covered**.

The u3a is responsible for the excess applicable on all policies.

9.2. Carers

If a u3a member needs to bring a carer/companion when attending u3a activities or events, this would be permitted subject to certain conditions.

The carer/companion must not attend any u3a activities as an individual and committee approval should be given. If the carer attending is doing so purely in the capacity of a carer and not taking part in the activity they will be covered as they are considered an 'extension' of the member. If the 'carer' is providing support and also taking part in the u3a activity as an individual then they will need to be a member. Should a member not be able to participate independently in u3a activities a carer/companion is essential as it is not acceptable for insurance reasons for the responsibility for care to be left to fellow members unless there is a specific arrangement in place with an individual member who may well be a friend.

If a member requires a professional carer, then they will be covered by their own insurance and not by u3a, and it is incumbent on the u3a to ensure that the individual has the appropriate cover in place. The u3a is not liable for any incidents that occur as the result of a professional carer's actions, they should report this to their employers.

10. Review

This policy will be reviewed every 2 years. Next review due November 2024.

11. Revision History

3rd January, 2020, Initial version.

25th November, 2022, Revised

Interest Group Finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members and leadership deem to be necessary to undertake their activities. The funds of these groups legally belong to the U3A but are ring-fenced for the benefit of the group. The Group Leader and any other group members who help with finances have the following responsibilities:

- Safeguarding the assets of the charity that are in their care.
- Identifying and managing the risk of loss, waste, theft or fraud.
- Where applicable and as agreed with the Treasurer:
 - Keeping appropriate financial records to allow group members to understand how their monies are being managed and allow the Treasurer to present a summary at Committee meetings and at the AGM.
 - Keeping an appropriate reserve within the group's ring-fenced funds.
- Informing the Treasurer when any significant assets (i.e. costing £100 or more) are purchased so that the asset register can be updated. Similarly, informing the Treasurer if an item on the asset register is disposed of, lost or stolen.

Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership and can withdraw money on request from the ring-fenced funds held by the U3A on their behalf.

Where groups do not comply then the committee will review whether the group is legitimately operating in line with the insurance and financial requirements.

If an activity results in a deficit the u3a will decide whether the activity should be allowed to continue if further deficits are expected. It should be noted that any Group where a paid tutor has been approved cannot be subsidised.

A1. Banking

We have a single bank account in the name of Hartlepool and District U3A, which is operated by the trustees.

A2. Receipts

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

- Cash and cheques received may be:
 - Paid into the U3A's account using a paying in book supplied by the Treasurer. An email should be sent to the Treasurer accounting for the money.
 - Passed to the Treasurer (or deputising Committee member) for banking, along with documentation accounting for the money.
- Where net sums are being paid, the documentation should show what cash has been retained and receipts provided as appropriate.
- Cash held back for cash flow purposes will be within limits agreed with the Treasurer and will vary from group to group.

A3. Payments

Where you collect money from group members who book an event, you need to make it clear to them that they should not expect a refund if they are unable to attend on the day. If the venue is willing to make a refund (full or partial), or if the booking can be transferred to someone else, then the member should be reimbursed, but this should not be expected. It

doesn't matter how good the reason for not attending, the member cannot expect other group members or the U3A to cover the loss.

A3.1.Fixed Price Room Hire

Hiring a room where the cost is fixed in advance creates a contract between the U3A and the venue. The booking needs to be made by a Committee member. Hartlepool and District U3A must be invoiced for the cost and the Treasurer will pay the venue. You will need to maintain a sufficient float in the U3A account to cover 3 months of forward booking (this could be varied depending on the venue's cancellation policy).

A3.2.Pay-As-You-Go Room Hire

If your group uses a room where there is a charge for each member attending, you may pay as per section A3.1 or you may pay cash on the day if you prefer.

A3.3.Theatres (and other payments in advance)

You should collect all monies in advance of buying the tickets. This can be inconvenient but is for your own protection. If you buy a ticket for someone who has not given you their money and they change their mind, you could be left with a surplus ticket and find yourself out of pocket.

If the tickets are to be bought immediately after collecting the money then you may pay cash if you wish (and would be covered by the U3A's insurance while carrying the cash). If you are collecting the money over a period then it should be paid into our bank account, you should not hold significant sums of U3A money for long periods.

Where money has been paid into the U3A bank account, the Treasurer can issue a cheque. Since some venues will not accept cheques, section 0 gives other options.

A3.4.Restaurants (and other deposits paid in advance)

You need to establish the venue's policy on cancellations and whether someone who didn't show up on the day would lose only the deposit or would still be liable for the full cost of the meal (some restaurants prepare the food before guests arrive, so charging the full amount would be perfectly reasonable). If the venue would charge for the full cost of the meal then you should collect the full cost before making the booking, otherwise you need only collect the deposits in advance. Thereafter, everything in section A3.3 applies.

A3.5.Multi-Day Trips

Trips involving overnight accommodation may require a Tour Operator's License and additional insurance. Prior approval must be obtained from the Committee.

A3.6.Outside Speakers

Speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer using the form in Appendix B. The exception would be for a speaker/guide on a visit, whose fee could be considered part of the entrance fee.

Speakers sometimes wish to donate their fee to a nominated charity. The u3a cannot directly pay the charity unless the nominated charity has similar objectives **and** the speaker provides a disclaimer of their fee and/or expenses in favour of the nominated charity. If the Speaker wants to donate their fee to a nominated charity then this needs to be recorded in advance and can be done in one of the following two ways:

- If the speaker is to be paid in cash or by a cheque made payable to them, they must sign a receipt for the u3a's records and then hand the value of the fee to the charity of their choice.
- Alternatively the Speaker can sign the declaration as shown in Appendix C. The fees can then be paid directly to the charity.

A3.7. Paid Tutors

The use of paid tutors is against the U3A ethos and Committee approval is required. Where this is given:

- the tutor must confirm their self-employed status
- the contract must be placed by a Committee member
- the U3A must be invoiced and the Treasurer will make payment by cheque

A3.8. Pay As You Go

This would cover things such as entrance fees where no advance booking has been made. Individuals can pay their own entrance fees. Where a group discount is available, the leader could collect monies and buy all tickets together.

A3.9. Methods of Payment

Where payment is required from your ring-fenced funds held in the U3A account, the following methods of payment are possible:

1. The Treasurer can issue a cheque or use the U3A's debit card on your behalf. This is mandatory for fixed price room hire (see section A3.1) and for other instances where a contractual arrangement is created between the U3A and a supplier.
2. By prior agreement with the Treasurer, you could use a personal credit or debit card and claim the amount back from the U3A. Note that if significant sums are passing in and out of your personal account on a regular basis, they may look like business transactions and HMRC might take an interest.
3. If regular card payments are required, it may be possible to issue you with a pre-payment card on a U3A account.

A3.10. Payments to Other Charities

In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives, but may make a payment to a charity that provides a service such as hire of a room or providing a talk.

A3.11. Groups with Little or No Financial Activity

Where sums are small (e.g. operating a "tea fund") it is acceptable to operate on a petty cash basis. The group leader should agree with the Treasurer how large a cash float may be held.

Where meetings are held in someone's home, the host may make a reasonable charge to cover things such as refreshments and heating costs. Note the U3A's insurance covers such meetings.

A3.12. Discounts

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.

A3.13. Out of Pocket Expenses

Out of pocket expenses incurred in running a group will be reimbursed from group funds. Small sums may be settled out of a group's petty cash but still need to be accounted for.

Where an expense claim needs to be made, the form in Appendix B should be used, giving sufficient detail as to the nature of the expense. Receipts will be required for most things, but are not practicable for mileage claims, phone calls, printing, etc.

Expense claims must be authorised by the Group Leader (if the claim is being made by the group leader then another group member should authorise it) and a member of the executive

Committee. When authorising a claim, the authorisers should assess whether the amounts are reasonable.

Expense claims should reflect the cheapest practicable 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 or other fines will not be allowed.

Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the executive Committee. See also section A3.5.

A3.14. Emergency Situations

It is accepted that emergency situations (e.g. medical emergencies) may arise where it is not practicable to follow the above procedures. In such instances, Group Leaders and other members should act in the best interests of those involved in the emergency. The incident should be brought to the attention of the Treasurer or other Committee member as soon as reasonably practicable.

A4. New Groups

Where a proposed new group will have expenses such as room hire, there is some financial risk in that the group's revenue may not cover the cost if the group does not flourish. This may cause reluctance for potential leaders to start a new group.

To overcome this, the leader of a proposed new group may apply to the Committee for a grant of up to £40 to be ring-fenced for the group. Such requests would be considered by the Committee and the group would be expected to operate keeping at least the amount of the grant as a reserve within their ring-fenced funds.

A5. Revision History

3rd January, 2020, Initial version.

25th November, 2022, Revised v1.1

Expenditure				
Date	Description	Quantity	Price Each	Cost
Cheque payable to:			Total	
	Print Name	Signature		
Requested by:				
Authorised 1: (GL/committee)				
Authorised 2: (committee)				
Requests should be authorised by 2 Committee members; except that requests from groups should be authorised by the group leader (or another group member if the cheque is payable to the leader) and 1 Committee member. You may not authorise your own claim.				

To: Hartlepool and District u3a

Please pay the fee/expenses due to me as speaker at your u3a onto the following charity

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being a donation paid on my behalf to that charity.

Signed

Date