

## 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**

3<sup>rd</sup> January, 2020, Initial version.

25<sup>th</sup> November, 2022, Revised v1.1