

Honiton U3A Financial Policy

1 Trustees' financial responsibilities

- The trustees of the Honiton 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.
- 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.

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.

2 Banking

2.1 Bank accounts

- All bank accounts are in the name of "Honiton University of the Third Age" 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 are the Chairman, Vice Chairman, Secretary and Treasurer. 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.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an internet transfer.
- 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.

2.2 Online banking

- The Treasurer is responsible for the operation of the online banking service.
- 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.
- Payments by bank transfer must be initiated by the Treasurer and must be approved by another trustee who is an authorised signatory.

2.3 Personal debit or credit cards

- The use of personal debit or credit cards to make purchases for the Honiton U3A is restricted to a limit of £20 unless prior approval has been given by two authorised signatories.
- For purchases exceeding £20 payment by cheque on receipt of an invoice, or by bank transfer are the preferred methods.
- A member may wish to purchase equipment themselves and then claim the cost as a personal expense claim. Members should be aware of the risks that this involves.

3 Petty cash

- Cash payments are usually made if the amount is less than £20 and payment by cheque is not acceptable.
- Honiton U3A operates an imprest system for petty cash.
- £60 is held initially.
- When cash payments are made the relevant vouchers are retained with the remaining cash.
- When cash is received the £60 is restored and contra entries are made in the accounts.
- When the cash held exceeds £60 the excess is paid into the bank.
- Occasionally it may be necessary to draw cash from the bank to restore the £60.

4 Receipts

To manage the payment of cash and cheques into the Honiton U3A bank account the committee has decided that:

- All cash and cheques received should be passed to the Treasurer who will maintain the sole paying-in book.
- Where possible charges for membership subscriptions, interest group activities, social events, trips, etc should be asked for by cheque or bank transfer.

5 Payments

All payments should be made from the Honiton University of the Third Age bank account or for small amounts in cash. (See section 3)

- All hall rental charges should be made by cheque or credit transfer on receipt of an invoice.
- 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.
- Equipment purchases must be approved by the committee in advance.

6 Expenses policy

Out of pocket expenses incurred by the volunteers who are involved with running the U3A will be reimbursed.

- Expense claims must be submitted with receipts.
- When a member of the Honiton U3A makes a presentation at a meeting open to all members expenses of £50 will be paid.
- Expense claims will be authorised by two authorised signatories.
- No committee member should authorise their own claim.
- Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.
- Travel expenses may be claimed by a member on Honiton U3A business at 25p per mile when a member uses their own car; parking fee may also be claimed where applicable and paid by the Honiton U3A.
- Members travelling on U3A business by train, coach or bus may claim the full price of the ticket.
- Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the executive committee.

7 Groups' finances

- Interest groups are expected to be self-financing.
- They 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 belong to the U3A.
- The Treasurer and Group Leader(s) should agree the records necessary for the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the trustees and to meet regulatory requirements.
- To facilitate the establishment of new interest groups small one-off payments may be authorised by the joint agreement of the Treasurer and Chairman.

8 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 offered by the organisation providing the event. The value of free places must be shared out among all participants.
- 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.

9 Payments to other charities

- In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives.
- Honiton 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.

10 Membership Fees

- Membership is offered on annual basis from 1st of April each year.
- The membership fee is reviewed on an annual basis.
- Honiton U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members.
- For those who can show evidence membership of another U3A Honiton U3A will offer membership at a reduced rate.
- If two members share an address a reduced membership fee will apply.
- For members joining after 31st October a reduced membership fee will apply.

11 Asset Register

- An asset register is maintained by the Treasurer.
- It includes all assets held including their initial purchase price, date of purchase, estimated value and custodian.
- The register is reviewed annually.
- The total estimated value of the assets is reported with the annual accounts.
- 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.

12 Reserves

- Honiton U3A aims to keep a level of reserves that will cover six months of regular operating activity.
- This is considered by the committee a reasonable level for this type of charity.
- Social events are excluded from this figure as these are entirely self-financing.