
Trustees' Financial Responsibilities

1. All charities are required to determine their "Internal Controls" for running the charity, one of these being the Financial Controls, or Finance Policy.
2. The trustees of Littleborough u3a ('the Charity') are responsible for:
 - 2.1. Safeguarding the assets of the Charity;
 - 2.2. Identifying and managing the risk of loss, waste, theft or fraud
 - 2.3. Ensuring the financial reporting is robust and of sufficient quality
 - 2.4. Keeping financial records in accordance with the governing document and relevant legislation (e.g., Charities Acts, Companies Acts etc);
 - 2.5. 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 Charity.
3. Trustees are jointly responsible for keeping full financial records. These include those of the Charity itself and interest groups run by and for members with the approval of the Charity.
4. To enable the trustees to carry out these responsibilities, the financial procedures detailed in this Finance Policy shall be followed, a copy of which shall be given to all trustees on their election/appointment to the committee and made available on its website.
5. The policy will be kept under review by the Treasurer and revised as necessary. Any changes shall be approved by the trustees.

Finances of The Charity

Bank accounts & online banking

6. Any change of banker may only be made by a decision of the trustees, which must be minuted.
7. The Charity will operate three bank accounts, namely:
 - 7.1. A Business Account, which will be used to conduct the business and operation of the charity;
 - 7.2. A Social Account, which will be used to conduct the business and operation of interest groups formed by members of the Charity;
 - 7.3. An Investment Account, which will be used to hold reserves for the Charity.
8. All bank accounts shall be in the name of the Charity. New accounts may only be opened by a decision of the trustees, which must be minuted.
9. Operation of an online banking service shall be under the control of the Treasurer who shall have full access rights. The Treasurer shall ensure that the Chair and either the Business Secretary or a Vice Chair have access to the online banking service for the purpose of authorising BACS payments initiated by the Treasurer or to initiation and co-authorise BACS payments in the absence of the Treasurer.
10. The security of the online system shall be in line with the arrangements offered by the Charity's Bank and in accordance with the mandated approval limits.

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11. Changes to the bank mandate may only be made by a decision of the trustees, which must be minuted.
 12. The authorised signatories shall be the Treasurer, Chair and either the Business Secretary or a Vice Chairman. This responsibility cannot be delegated.
 13. All cheques must be signed, and all BACS payments must be approved, by two signatories. The signatories are responsible for examining the cheque or BACS payment for accuracy and completeness.
 14. The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising a BACS transfer.
 15. All bank statements must be sent to the Treasurer directly.
 16. Blank cheques will never be issued, nor signed by one signatory for a second to complete later.

Cash receipts

17. Whenever practical two people should be involved in counting cash receipts and cash receipts shall be handed to the Treasurer, who will verify the amount received.
18. Whenever cash from a convenor of an interest group is handed to the Treasurer for banking, the Treasurer shall verify the amount of cash handed over with the convenor of the interest group and the Treasurer shall send a receipt to the convenor by email as soon as practicable thereafter.

Payment cards

19. Littleborough u3a will hold three payment (debit) cards, namely:
 - 19.1. Two payment cards linked to the Business Account, one of which will be in the name of the Treasurer and one of which will be in the name of the Chair;
 - 19.2. One payment card linked to the Social Account which shall be in the name of the Treasurer.
20. The use of these cards shall override the dual control aspect of the payment authorisation process and all transactions shall be reviewed by the Treasurer to ensure accuracy of payments made and to correlate with receipts or invoices provided.
21. The use of personal payment cards shall be closely managed by the Treasurer. Use of personal payment cards by convenors of interest groups shall be discouraged. Electronic payments required by interest groups shall be made from the Social Account, following receipt of cash to at least the value of the transaction from the convenor of the interest group to the Treasurer.

Accepting card payments

22. The Charity shall, where the trustees deem it to be appropriate, register for and use a payment card facility linked to the Charity's bank account to permit members to make payments to the Charity.

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23. Responsibility for setting up and maintaining the payment card facility shall be the responsibility of the Treasurer.
 24. The Treasurer shall ensure that such facility is maintained with a reputable third-party provider with industry recognition for provision of such services.
 25. The Treasurer shall ensure that the provider engaged for this purpose, issues transparent and auditable reports to clearly show the source of all payments received and the deduction of any fees associated with the provision of the service.
 26. Income received through a card payment service shall be recorded gross, and deducted fees shall be shown as expenditure, even if the Charity is in receipt only of nett income from the card payment provider.

Invoices and receipts

27. The Treasurer shall ensure that any payment on behalf of the Charity is supported by a valid invoice or payment receipt. All invoices and receipts shall, wherever possible, be made out in the name of the Charity.

Purchase of Equipment

28. Prior approval by the trustees must be given to the purchase of equipment for the Charity and all equipment will be recorded on a register which shall be maintained by the Treasurer as set out in this Finance Policy.

Grants

29. If the Charity is in receipt of a grant for any activity or equipment purchase, the Treasurer shall be responsible for receipt of the grant payment and any disbursements made from such funding.
30. The Treasurer shall:
 - 30.1. maintain records of all expenditure from such funding;
 - 30.2. ensure that the Charity complies any rules stipulated by the grant-making body and shall alert the trustees to any risk associated with such compliance;
 - 30.3. ensure that any post-funding evaluation required by the grant-making body is provided in accordance with timescales laid out in the grant offer.

Expenses

31. When trustees incur out of pocket expenses in connection with the running of the Charity, the trustee shall endeavour where possible to obtain an invoice or receipt made out in the name of the Charity. Such expenses shall be notified to the Treasurer as soon as possible and any reimbursement will only be made if supported by a verified invoice or receipt.
32. Such out of pocket expenses should not exceed £50 without the agreement of the Treasurer. This limit may be exceeded when a trustee, or ordinary member is approved to represent the Charity at a regional or national u3a meeting or event.

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33. Travel expenses shall reflect the lowest cost option available, subject to consideration of time, safety and destination.
 34. Where public transport is not a practical option, travel by car shall be reimbursed at the mileage rate currently set by HMRC, based on the most direct route of travel. Car parking and ULEZ charges will be reimbursable but parking- and other fines/penalties will not be allowed.
 35. Subsistence costs, including meals and overnight accommodation will be allowable subject to a maximum pre-agreed by the trustees on a case-by-case basis. Wherever possible, the Treasurer shall be responsible for booking and paying for overnight accommodation.

Finances of Interest Groups

Generally

36. An Interest group shall be self-financing and can collect such sums of money as the group members and convenor deems necessary to undertake its activities. Such funds are deemed to belong to the Charity and not to the convenor or members of the interest group.
37. An interest group is permitted to make any expenditure deemed necessary by the convenor and its members and can withdraw money on request from any funds held by the Charity in its Social Account and ringfenced on behalf of that group.
38. The Treasurer shall determine, in accordance with this Finance Policy, a record-keeping and financial operating policy for any interest group approved by the Charity. This policy shall set out the procedures by which a convenor shall operate an interest group. As a minimum, such a policy should:
 - 38.1. allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the trustees and to meet regulatory requirements;
 - 38.2. allow members of the interest group to understand how their monies are being managed;
 - 38.3. maintain transparency and trust for all concerned;
 - 38.4. minimise the risk of error and potential loss of funds;
 - 38.5. allow a convenor of an interest group to maintain a cash float.

Receipts

39. To allow the Treasurer to manage the cash and cheques to be paid into the Social Account which are to be ringfenced to the interest group, the trustees have decided that:
 - 39.1. Bank paying in slips will not be given to the convenor of an interest group;
 - 39.2. A convenor of an interest group shall not pay sums due by issuing a personal cheque or by paying through their own bank account, whether online or by payment card;
 - 39.3. Emailed receipts will be issued by the Treasurer to a group convenor on receipt of cash or cheques to be ringfenced for that group's activities; such cash or cheques shall be recorded by the convenor in the interest group's accounts, demonstrating the source of income;
 - 39.4. The convenor of an interest group is permitted to hold cash on behalf of the group from which sundry small expenses can be met and for which receipts will be kept; such cash holding should not exceed

£100. Any surplus generated should be paid over to the Treasurer to be ringfenced to the interest group in accordance with this Finance Policy.

Payments

40. An interest group should only pay cash from its float for sundry expenses such as refreshments, stationery and the like.
41. Expenses such as speaker and tutor fees, coach hire, venue hire or entrance fees should be paid on behalf of the interest group by the Treasurer from funds ringfenced to the interest group and paid into the Social Account. Invoices made out in the name of the Charity and, if possible, the name of the interest group should be emailed or posted directly to the Treasurer for payment. The convenor of an interest group should obtain in writing and quotation or charge in advance of making a booking on behalf of an interest group and shall obtain evidence of the self-employed status of any tutor engaged on behalf of the group.
42. The only exception to the procedure set out in point 41 above relates to the purchase of event tickets where the Convenor has a limited time in which to complete the transaction and must be the named holder of the tickets for administrative purposes. In such cases, the Convenor will keep a record of purchase and reimbursement received from individual participating members.
43. A convenor should not commit the interest group to expenditure which exceeds the total of ringfenced funds and cash float without first seeking the approval of the Treasurer, who in turn may seek approval of the trustees before sanctioning such financial commitment.

Accounts and audit

44. The convenor of an interest group shall keep a financial record of income and expenditure on behalf of the interest group in a format to be advised by the Treasurer in guidance issued to the convenor.
45. The convenor shall, upon request from the Treasurer at year end (31st March), provide the Treasurer with a copy of the financial record and all receipts retained. The Treasurer will be responsible for verifying this information on an annual basis.
46. Where the convenor of an interest group does not comply with this requirement, the trustees shall determine whether the interest group is legitimately operating in line with the requirements and obligations of the Charity, including its insurance and financial requirements.

Grants

47. As set out at point 36 above, an interest group is required to be self-funding, with its members contributing towards any resource or facilities that are needed. However, if an interest group wants to take on a project it may be possible for the committee to make a small grant available from the Charity's funds, if that project meets the following criteria:
 - 47.1. it has wider benefits for the Charity as a whole; and/or
 - 47.2. it benefits the community in which the Charity operates.

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48. If an interest group wishes to apply for a small grant, the Convenor should provide an outline of the proposed project, its benefits, and the purpose of such a grant, to a trustee who will take the proposal to the next committee meeting of the Charity.
49. If an interest group intends to apply for a grant from a grant-making body, it must first seek approval of the trustees and shall liaise with the Treasurer who will support the convenor of the group with the grant application. The convenor of an interest group in receipt of such funding shall ensure that the Treasurer is able to comply with the Charity's obligations in respect of such grant awards set out at points 29-30 above.

Purchase of Equipment

50. Any equipment purchased by an interest group from funds raised, or grants received, remains the property of the Charity.
51. Such equipment shall not be purchased directly by the convenor of the interest group. Instead, it shall be ordered and paid for by the Treasurer from the interest group's ringfenced funds in the Social Account.
52. The Treasurer is responsible for adding any such equipment to the Charity's asset register.
53. The convenor is responsible for ensuring that such equipment is maintained in working order and for annual electrical testing of any relevant item of equipment, such testing to be undertaken by the Charity at the same time as the Charity makes arrangements for its own equipment to be so tested.

Social activities

54. Events such as theatre or restaurant 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.
55. The organisers of such social activities must not benefit from any discount (e.g., a free place) offered by an organisation providing an event. The value of free places and any discounts offered, must be shared out appropriately among all participants of the event.
56. 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 receive pecuniary reward for organising an event.

Refunds

57. When a social activity has been paid for by a member in advance, a refund will not be given in the event of the member cancelling if:
- 57.1. the activity would not be able to take place due to a reduction in the minimum number of paid-for attendees required as specified by the venue/operator;
 - 57.2. payment has already been made to the venue and/or operator.
58. If a member has booked and paid for a social activity but is subsequently unable to participate, a refund will be given to that member if another member is able to take their place.

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59. Refunds will be always be given if an activity has to be cancelled by the Charity/the interest group, or by the venue to be visited.

Winding up

60. If an interest group ceases to be convened and is wound-up, the Convenor shall pass to the Treasurer, the financial record for that interest group to date, together with any remaining cash float and any equipment purchased on behalf of the interest group.

Payments to Other Charities

61. In accordance with Charity Commission rules, a charity cannot raise funds for another charity that does not have similar charitable objectives.
62. The Charity 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.
63. Should another Charity be engaged to give a talk at a member event, that Charity is entitled to make a reasonable charge for such a talk and the payment for that talk by the Charity shall not be deemed to be fund-raising in accordance with the Charity Commission rules.

Membership Fees (including Membership of More Than One u3a Branch)

64. The fee charged for membership of the Charity shall be reviewed by the trustees on an annual basis.
65. The annual membership fee shall be levied from 1st April to 31st March and shall be set at the AGM held in the preceding year.
66. The Charity shall be committed to keeping the membership subscription as low as possible to ensure that it is accessible to all members. The Charity will offer a reduced membership fee for any member joining in October or later in the current membership year. Such discount will be approximately half of the annual fee excluding the capitation fee payable to the Trust, which will be due at year end for all members irrespective of the date of joining.
67. Any member of another u3a branch shall be entitled to a discounted membership fee equivalent to the capitation fee paid annually to the Trust and collected from the member by another u3a branch. Any member requesting this discount shall evidence their membership of the u3a branch upon which they are relying.

Asset register

68. An asset register shall be maintained by the Treasurer, which shall record all assets held by the Charity, including initial purchase price, date of purchase, estimated nominal value and the trustee or member with whom the asset is lodged.
69. Under the Charity's accounting system, all assets are fully written-off against receipts in the year of purchase.

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70. At the end of life, a decision to dispose of an asset shall be made by a decision of the trustees, which must be minuted.
71. The asset register shall be reviewed annually by the Treasurer.

Reserves

72. The Charity shall keep a level of reserves capable of funding 12 months of the Charity's regular operating activity.
73. If the trustees consider that the Charity needs to build-up a reserve in excess of 12 months' regular operating activity costs, e.g., to provide funding for a planned project or special one-off event, then the level of reserves can be increased on a temporary basis until such time as the project or event has concluded. Such decision should be made by the trustees, which must be minuted.
74. Notwithstanding point 73 above, the level of reserves held at any time shall not exceed twice the total amount of expenditure for the Charity, recorded in its previous year's audited accounts. Where the Charity's reserves are forecast to exceed this maximum holding, the trustees shall consider a resolution to be passed at the next Annual General Meeting of the Charity, to temporarily reduce membership subscriptions in the following membership year to an amount which will reduce the holding accordingly.
75. Interest group activities and the Charity's Social Account are excluded from this figure as these activities are inflated by high-cost activities such as social events and are entirely self-financing.