

FINANCE POLICY and PROCEDURE

1. Trustees' financial responsibilities

The trustees of Moseley, Kings Heath & District 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.
- Ensuring 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. Financial Administration

Moseley, Kings Heath & District u3a's main source of income is the annual subscription payable by members. This covers the cost of monthly meetings, administration, newsletters, Third Age Trust membership subscriptions, including the magazine, bank charges and some miscellaneous expenses. Subsidies to venue costs for some interest groups are allowed to a level set out in the Venue Policy. The level of subscription is reviewed annually.

The only other routine source of income is Gift Aid which is claimed annually from HMRC and members who pay sufficient tax are encouraged to register for this.

The financial year for Moseley, Kings Heath & District u3a is 1 April to 31 March. Day to day management of the finances is undertaken by the Treasurer who reports on the financial position to each committee meeting and who also submits a report to all members for the Annual General Meeting.

A second trustee will also have full access to the paypal and bank accounts, as detailed below.

The accounts are independently examined at the end of each financial year.

3. Banking

3.1 Bank accounts

- All bank accounts are in the name of Moseley, Kings Heath & District u3a 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 for cheques are the Chair, Vice Chair, 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.

3.2 Online banking

The primary means of receiving monies and making payments is through online banking. The primary user is the Treasurer, but a second trustee, nominated by the Committee (which must be minuted) will have full access to the account. This trustee will regularly monitor the bank account and may also occasionally deposit payments and settle bills.

Bill payments in excess of £1,000 made through online banking must have prior approval in writing by 2 cheque signatories: approval can be by email.

The security of the online system is in line with the arrangements offered by HSBC and in accordance with the mandated approval limits. Access to the HSBC online banking system is by the bank's app or by logging on to the bank system with a personal password, access code and security device.

When making payments through online banking the person executing this must:

- examine the payment documentation (purchase invoice etc.) prior to authorising an internet transfer.
- examine the payment instruction for accuracy and completeness.

3.3 Payment by bank cards

Moseley, Kings Heath & District u3a do not hold any bank cards and they may only be obtained with the prior approval of the Committee, which must be minuted. At such a time provisions for use of the bank card, in line with u3a guidance at the time, will be determined.

3.4 Paypal account

Moseley, Kings Heath & District u3a also hold a paypal account to be used solely for receipt of annual subscriptions. This is the preferred method of receiving subscriptions, though they can also be paid by cheque or in cash. The Treasurer and a second trustee will both have full access to this account.

4. Interest Groups' finances

Most interest groups are self-financing, meeting in homes or public spaces. When it is necessary for a group to meet in a paid for venue Moseley, Kings Heath & District u3a will subsidise costs from the general funds to a maximum level as set out in the Venue Policy.

The level of subsidies of venue costs across the Moseley, Kings Heath & District u3a will be no more than 25% of the income from membership subscriptions, both to facilitate the claim for gift aid, and as a matter of equity as many members do not benefit from any such subsidies.

4.1 Groups meeting in paid for venues

Members of groups meeting in paid for venues must contribute to the costs through payment of Group Meeting Costs (GMCs). The maximum level of subsidy allowable for each group is set out in the Venue Policy and at the start of each financial year the Treasurer will advise each Interest Group Leader (IGL) of the average sum of money they need to collect from members for each session. In the event of room hire charges changing the Treasurer will advise the IGL of the new level of contribution required.

The IGL and group members must agree how the requisite sum of money will be collected.

No single formula is in place in the Moseley, Kings Heath & District u3a as to how groups should meet their costs, or the level of contribution required. In most groups members pay periodically regardless of attendance while in others members only pay on attendance at the group meeting. This is acceptable but if there is a shortfall the group must be prepared to make additional payments to cover the deficit.

If circumstances prevent the group members paying the level of contribution as set out in the Venue Policy, the IGL must contact the Treasurer and the circumstances of the group will be considered by the Committee who may be able to agree other arrangements with the IGL.

All money, once collected, is the property of Moseley, Kings Heath & District u3a, but as detailed below it may be retained in part, or in full, by the IGL to meet costs for the group activity (which may include venue hire, provision for refreshments, materials to support activities).

Normally money collected as GMCs cannot be refunded to a member, but this may be allowed in exceptional circumstances by agreement with the Treasurer and a second trustee nominated by the Committee.

Groups which are able to meet their costs in full may, by prior agreement of the Committee, be financially self-managing. They will then receive and pay invoices for venue hire, meet all costs for materials for the group and provide an annual report of their income and spend to the Treasurer.

Groups which require a subsidy for their venue costs may retain a small sum to cover the cost of refreshments and then transfer to Moseley, Kings Heath & District u3a at least the sum needed for venue costs, in line with the Venue Policy, by the end of the month in which the money was collected. Monies over and above that may be retained by the IGL to pay for the group activities.

As below records of monies in and out must be maintained.

4.2 Purchase of materials and equipment

IGLs may retain money from GMCs over and above venue costs for the purchase of materials or equipment for their group. Normally not more than £100 should be held in petty cash by any IGL or their delegate in the interest group, though this may be extended to £1,000 for specific groups with the prior agreement of the Committee.

Purchases should be agreed between members of the interest group.

Receipts detailing all purchases must be obtained and signed by 2 group members (of which one may be the IGL.)

Any equipment or materials bought from GMCs should be held by a member of the group, normally for use by the members of that group, but legally is the property of the u3a as a whole and must be notified to the Treasurer in the group's annual return. Equipment and materials purchased will be included in the asset register.

4.3 Exceptional Costs

In general group members should bear the cost of new materials or equipment but in exceptional circumstances a group can apply to the Committee to subsidise a purchase by a group.

Any request for an exceptional grant should be made in writing to the Treasurer, detailing what is asked for and costs. In considering the request the Committee may take into consideration the overall financial position of the group.

4.4 Social activities and events with outside speakers

Events such as theatre trips, visits, educational days out or involving outside speakers must be charged at cost and all participants pay appropriately. The money paid by members must cover out-of-pocket expenses.

Payment for the activity must be made by group members to the organiser who should settle fees directly with the service provider. Members are expected to fully meet these costs, but in exceptional circumstances the IGL may request a grant in writing to the Treasurer detailing costs and the reason these are not being fully met by the group. A decision would be made at the following committee meeting.

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.

Out-of-pocket expenses can be paid to an organiser from 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.

4.5 Record keeping

All IGLs of groups collecting GMCs or money for outings must ensure that a record is maintained of income and expenditure and provide a summary annual report of this to the Treasurer 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.
- Allow group leaders to maintain cash floats.

The annual report will be on a proscribed format summarising monies in and out, including provisions for refreshments and materials or equipment purchased.

Periodically the Treasurer will provide financial summaries to IGLs of all groups for which venue costs are paid in part from general funds to enable the groups to manage their income to an appropriate level.

Group accounts and receipts/invoices over £75 must be sent to the Treasurer with the annual report and will be retained for six years so that they can be inspected if necessary.

4.6 Receipts

IGLs of groups for which venue costs are paid via the u3a bank account should transfer money to Moseley, Kings Heath & District u3a to at least cover venue costs to the agreed level by the end of the month in which the money was received. For those using online banking payment should be by BACS to the Moseley, Kings Heath

& District u3a bank account.

Others may arrange to transfer the money to the Treasurer by other means. A receipt will be given to the group leader: this may take the form of an acknowledgement by email.

Bank paying in slips will not be given to group leaders for transferring money to the u3a bank account.

When materials need to be purchased for group activities the group leader may use their personal bank card or cheque book, but a receipt must be obtained and signed by another member of the interest group to verify the purchase for u3a.

Members organising coach trips or similar events should confirm receipt of payments by members in writing. This would normally be by email, unless the member making the payment does not use this. If a member requests written confirmation of any cash payment (for example for GMCs) the IGL, or other recipient, should provide it, which may be by email.

4.7 Payments to other charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Moseley, Kings Heath & District u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not directly to their nominated charity.

5. 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.

- No trustee can authorise a payment to themselves.
- Expense claims up to £50.00 can be approved by the Treasurer.
- All expense claims in excess of £50.00 must be approved by at least 2 trustees, neither of whom can be the person submitting the claim.

All claims need to be accompanied by written material giving sufficient detail as to the nature of the expense (for small sums this may be written onto the receipt).

Expenses may include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

All 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 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.

6. Asset register

An asset register is maintained by a nominated trustee 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 fully written off against receipts in the year of purchase. The register is reviewed annually.

7. Reserves

Moseley, Kings Heath & District u3a aims to keep a level of reserves that will cover 6 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

8. Approval and review

This policy was approved by the Executive Committee of the Moseley, Kings Heath & District u3a on 26 September 2023

and will be reviewed by the end of September 2026

Signed..... Chair

Signed Treasurer