

## u3a NORTHAMPTON – FINANCE POLICY – as at January 2023

### Purpose of the policy

- To provide a well-documented framework for the control of receipts and payments for Northampton u3a; enabling a smooth transition of responsibilities in succession planning.
- To ensure u3a funds are managed in accordance with directions from u3a Central Office and abide by the latest Charity Commission regulations.
- To ensure all Trustees (Committee members) are kept informed of receipts and payments on a regular basis.
- To identify the need for specific projects and allocate suitable funds accordingly.
- To ensure that all u3a members have the right to request details for any aspect of the accounts.
- To ensure that all members with group responsibilities understand the need for accurate record keeping complying with u3a Central Office and Charity Commission regulations.
- To provide the data for our Auditor, as appointed at the AGM, to prepare our Annual Report which will be presented at AGM. This will subsequently be posted to the Northampton u3a website and later to the Charities Commission website.
- The policy will be reviewed annually, following the AGM in May.

***Above all, our systems must be open to scrutiny and provide an audit trail of detail to verify any section of the process.*** This policy document should be studied in conjunction with the Finance Flow Chart giving a diagrammatic representation of the finance function within u3a Northampton. See Appendix 1.

### 1. Committee

- 1.1 Authorisations:** the Main Current Account will be managed by the Main Treasurer. Any cheques must be signed by any 2 signatories from the 4 designated Trustees. Debit cards are issued to, held by and are only for the use of the Treasurer and the Social Treasurer. All payments are made either by cheque or by bank transfer.
- 1.2 Receipts and Payments:** details of all receipts (income) and payments (expenditure) will be recorded in the format preferred by the Treasurer in post at that time. There should be enough analysis to show the breakdown of both receipts and payments. An up to date Balance Sheet should be presented to the monthly committee meeting and recorded in the minutes of the meeting. The account should be reconciled with the Bank account on a monthly basis. This information is of importance to our Auditor in preparing the Annual Report.
- 1.3 Expenses Policy:** there is an existing Expenses Policy in place. Periodically the Trustees will review and, where appropriate, revise the current allowances .
- 1.4 Reserves Policy:** there should be at least six months' running costs kept in reserve to ensure there is adequate cash flow to meet costs. If there is more than this amount, consideration should be given to the funding of projects which would be of benefit to the members.
- 1.5 Spending Review:** following the AGM and publication of the Annual Report, the Trustees should dedicate a specific meeting to consider the receipts and payments of the previous year. The purpose of the meeting will be to ensure payments represent value for money and to decide on an allocation for specific functions, eg a budget for speakers at the monthly meeting.
- 1.6 Setting a budget for upcoming projects:** following the Spending Review, any projects identified for development should be discussed and costs estimated. Agreement should

be reached on what funds are needed and whether any estimates/quotations obtained before proceeding.

- 1.7 **Capital expenditure:** any items costing more than £100 should be discussed to determine overall benefits and value for money.
- 1.8 **Gift Aid claim:** The Membership Secretary shall keep all Gift Aid declarations and record all such elections on Beacon. The Beacon Administrator will provide the Treasurer with a full schedule in order to make a claim to HMRC following the end of the financial year. The Treasurer shall be responsible for ensuring the accuracy of the claim and adhering to the latest HMRC regulations.
- 1.9 **Equipment Grants:** Group Leaders may request a grant for equipment that will enhance the learning of their group. This request should be submitted to the Group Liaison Officer (GLO) who will bring it to the next Committee Meeting for approval. Such requests cannot be made for group consumables.

More specific tasks are the responsibility of the Treasurer and are outlined in the role description.

## 2. Social Account

- 2.1 **Authorisations:** the Social Account will be managed by the Social Treasurer or, in their absence, by the Main Treasurer. The issuing of cheques and the use of Debit cards shall be the same as the requirements in clause 1.1.
- 2.2 **Trips and Visits** are defined as any event organised by a group and for the group which requires the collection of monies from members and the payment to any party supplying goods or providing services. This shall include trips, visits and holidays organised for and available to all Northampton **u3a** members. The Social Treasurer shall be informed of all events together with dates and details, the anticipated cost per person, the proposed number of participants and a breakdown of all the expenditure to be incurred. If the anticipated expenditure is not confirmed at the time payment is required, then a contingency should be built into the cost. An individual account will be created by the Social Treasurer to record the receipts and payments. Events organised by the Social Committee for Northampton **u3a** members, as a whole, shall be dealt with via the Main Account.
- 2.3 **Monies received from Group Leaders:** in the form of cheques or cash shall be handed to the Social Treasurer, receipt of which shall be acknowledged, and the amounts received recorded with the relevant event details. A note of the amounts being handed over shall be provided by the Group Leader/Organiser (GL/O) in a format to be agreed with the Social Treasurer. If authorised by the GL/O and the Social Treasurer, it shall be permitted for payments to be made by bank transfer, which shall be advised to the Group Leader by a printed advice/confirmation of payment note from the payee's bank. In such instances an appropriate reference will be provided for the payee to use. In the future, should it be decided to include other methods of payment, such as PayPal or Debit Card, further instruction will be provided.
- 2.4 **Invoices paid by Social Account Treasurer:** all payments to be made by the Social Treasurer should be against a proforma invoice from the supplier or provider. If a payment is required to be made on the day, then this shall be by a cheque completed by the Social Treasurer or by cash retained by the GL/O. Blank cheques will not be provided. If the amount due on the day is likely to vary, it is acceptable for the Group Leader/Organiser to pay personally and then claim reimbursement providing enough funds are available. In all cases a written receipt must be provided from the supplier/provider confirming their name, details of what has been supplied or provided, date and amount paid. A form is available for this purpose, obtained in advance from

the Social Treasurer. Gratuities paid directly to individuals shall be in cash and do not require a similar receipt. Deposits and payments for trips, visits and holidays available to all members may be made subject to some assurance from the organiser that there has been sufficient commitment from members to fill the anticipated places.

- 2.5 Event Summary Accounts:** a summary account in a format to be agreed with the Social Treasurer for each event shall be prepared by the Group Leader/Organiser and submitted immediately following the event. No event should be run at a loss and it is necessary for care to be taken to ensure this. If a Group event results in a deficit, the participants may be asked to pay an extra amount to cover the deficit; if the event results in a surplus, the Group Leader shall decide whether to offer this to the participants pro rata or deposit it in the Group's 'restricted fund'. For trips, visits and holidays organised for and available to all Northampton **u3a** members a similar policy in respect of a deficit shall exist (unless the amount required to cover the deficit from an individual is less than £1); if there is a surplus greater than £2 per person or 1% of the cost per participant (whichever is the greater) then a refund shall be offered. Otherwise a surplus will be left in the Social Account, which is a restricted fund.

- 3. Group Leader Accounts – our guiding principle for the following is based on our appreciation and respect for the work you put into making your groups interesting, informative and above all enjoyable. We want you to continue to do what you do now but to protect your interests: as a Charity we are all responsible and accountable to all our stakeholders.**

**Group Leaders are reminded that all u3a accounts may be subject to scrutiny from:**

- Our Auditor at the end of the financial year
- u3a Central Office (Finance policy update 9<sup>th</sup> May 2019)
- Charities Commission

**To this end, we must ensure that we have an audit trail to verify any income and expenditure.**

Primarily, this is for the protection of the Group Leaders: we would not want any GL to be put in a position where they cannot justify income and expenditure for their group should there a request from the sources shown above.

GLs may record their income and expenditure in any way that suits them. Sample formats are available and the Treasurer should be contacted if any help is needed. GLs will be sent asome time prior to the end of each financial year- 31<sup>st</sup> March. At the end of each financial year, GLs will be asked to submit their accounts together with a summary showing total income, total expenditure and balance carried forward. GLs will also be asked to submit details of any equipment held in order to update our Asset Register.

Our Annual Report and Accounts will be available on our own website once approved at AGM and will also be posted to the Charities Commission website later in the year. Thus, any member (or other body) can request information regarding any aspect of our accounts.

- 3.1 Venue hire:** if it necessary to book a regular venue for group meetings, the Group Leader is responsible for keeping accurate records of payments to the venue. Receipts/copy invoices are required where possible or details of the contact for venue booking. If the cost is a regular amount, the GL can deposit monies taken in by members to the Treasurer and ask for a cheque to be issued to the venue for payment. **Hired**

**Premises** - DO NOT sign rental agreements, without referring to GLO. All rental agreements shall be signed only by a trustee.

- 3.2** Cost to members: all groups should be self-financing, and costs shared between its members.
- 3.3** Level of funds as reserves: the GL may keep a reserve to ensure that venue costs are met. GLs are advised to ensure that members pay their contribution to the venue costs regardless of attendance. GLs are advised to take action if their level of reserves increases to more than the cost of three further meetings. This action could be:
- **Having a “free” session**
  - **Depositing any excess funds into the u3a accounts: any deposits will be classed as “restricted funds” and could only be used for that specific group. These funds will be available on request to the Treasurer should they be needed.**

**GLs are reminded that they should not be holding large amounts of cash, nor should they be depositing group monies into their own personal account. This is purely for GL protection.**

**If any group funds are kept by the Group Leader, these may not be covered by u3a Insurance and therefore the Committee cannot accept any responsibility should they be lost or stolen.**

- 3.4** **Special events within the group:** if the GL arranges an outing or event to enhance the group activities, the monies collected should be deposited with the Social Treasurer for safekeeping. On request, the Social Treasurer will issue a cheque to pay any costs involved provided there are sufficient funds in that account to cover it and all cheques have been cleared. If receipts and payments are being handled by the Social Treasurer, it is not necessary to include these in the Group Leader’s Account as this would lead to double accounting.
- 3.5** **A one off visiting paid speaker,** may be considered if funds permit. (consult GLO for advice)
- 3.6** **Group leader membership subscription** - will be half the normal subscription.

#### **4. Asset register**

**The Treasurer maintains the Asset Register detailing descriptions and purchase price of any items of equipment for the Committee and/or groups. This register is updated and submitted to our Auditor as part of our end of year obligations.**

- 4.1** **Details of all equipment held:** details of the item, serial numbers, purchase price are recorded.
- 4.2** **Value of equipment held on straight line depreciation:** any items costing more than £200 will be “capitalised” and subject to depreciation at 20% per annum.
- 4.3** **Location of equipment purchased on behalf of u3a:** Should the Group Leader change, the Treasurer should be advised who the equipment will be passed to.
- 4.4** **Identification of equipment held by Group Leaders:** Any Group Leader holding equipment should ensure it is clearly labelled as **u3a** equipment (labels available from the Treasurer). GLs are reminded that any equipment purchased from **u3a** funds is the property of **u3a** and not the group holding the item.
- 4.5** **Loss, damage or theft:** GLs are responsible for the safekeeping of equipment in their possession. Should loss, damage or theft occur, the Treasurer should be notified as soon as possible. Depending on the circumstances, the items may be covered by GL household insurance.