

# **Romsey & District u3a**

## **Finance Policy**

### **1 Purpose**

The finance policy describes the control measures the trustees have implemented for the management of its money.

### **2 Trustees' financial responsibilities**

The trustees of Romsey & 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 constitution and relevant legislation.
- The accounts should show a true and fair view of the finances 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 management committee and made available to members on the website.

The policy will be kept under review and revised as necessary.

### **3 Banking**

#### **3.1 Bank accounts**

- All bank accounts are in the name of Romsey & 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 are the Chair, Vice Chair, Secretary, Treasurer, Groups Treasurer and other nominated Trustees agreed by the Committee.
- All cheques and BACS payments must be signed or approved by two signatories.
- The signatories are responsible for examining the cheque or BACS payment for accuracy and completeness.
- The signatories are responsible for examining the payment documentation e.g. purchase invoice prior to signing the cheque or authorising BACS payment.

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- 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 shall be involved in counting cash receipts.

## **3.2 Online banking**

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 Barclays Bank. All payments require two signatories and in accordance with the mandated approval limits.

## **3.3 Payment by bank cards**

Operation of the online banking service is under the control of the Treasurer and Groups Treasurer who have full access rights and are responsible for assigning the appropriate delegate rights, as agreed by the committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate. Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code. The issue of any bank debit or credit card drawing on Romsey & District u3a accounts will be approved by the trustees. The use of these cards overrides the dual control aspect of the payment authorisation process, but is permitted in recognition that online purchases for certain goods and services represents the most effective, and in some cases, the only method of completing the purchase e.g. theatre tickets. The committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

Romsey & District u3a holds two business debit/credit cards. These are held by (Chair and Vice Chair). All transactions made using these cards appear immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers through the online banking service. All such payments must be supported by an invoice to Romsey & District u3a or receipt.

## **3.4 Personal debit or credit cards**

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Romsey & District u3a that is not being funded by the group itself. In these circumstances, it may be appropriate for members to purchase the equipment themselves and then claim the cost as a personal expense claim.

All invoices must be issued in the name of Romsey & District u3a.

## **4 Monthly Meetings**

Outside speakers for Monthly Meetings should state their fees and any travel costs at the time of booking and advise the Treasurer of their Bank Account details so that payment is paid via BACS transfer where possible. When not possible, payment will be arranged by the Treasurer via cheque.

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In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Romsey & District 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.

## **5 Groups' 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 are held in trust for the individual interest groups. 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, as appropriate. The Treasurer, Groups Treasurer, Group Co-ordinator and Group Leader(s) need to agree what records they need to keep of the groups transactions in order to:

- Allow the Groups 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 an appropriate amount in cash floats.

In the event that a group closes any monies held should either be repaid to its members or used for a final activity prior to closing. Any residual balance will be transferred to Romsey and District u3a reserve account and may be used to assist new groups with initial setting up costs.

### **5.1 Receipts**

To manage the handover of cash and cheques that is to be paid into the Romsey & District u3a bank account the trustees have decided that:

- All payments will be directed to the Groups Treasurer who will arrange payment into the relevant account
- Members may pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts will need to be given to group leaders, or acknowledged by email.
- Where net sums are being paid over this needs to be fully demonstrated to the Groups Treasurer.
- Cash held back for cash flow purposes will be within the u3a's limits approved by and which may vary by activity.

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## **5.2 Payments**

The trustees will inform relevant group leaders as to the approved process for payments relating to:

- a trip organised by and paid through the u3a or paid directly by the members to the trip organiser.
- payments deducted from activity revenue for:
  - Venues
  - Coaches
  - Tutors
  - Speakers
  - etc.
- payment for venues, coaches, tutors, speakers is to be paid by the u3a.

Speakers for interest group meetings should be asked to state their fees and any travel costs at the time of booking.

Where the trustees have agreed the use of a paid tutor, they must provide evidence of their self-employed status, insurance and issue an invoice for the amount agreed with the u3a.

The trustees via the Groups Treasurer will monitor the income and expenditure of the groups. Group leaders need to provide regular information, as agreed, to the Groups Treasurer. Where groups do not comply the trustees will consider whether the group is legitimately operating in line with the insurance and financial requirements of Romsey and District u3a.

## **5.3 Group activities**

Events such as theatre trips, visits or educational days out must be charged to members at cost with all participants paying equally. The costs paid by members must cover any out-of-pocket expenses incurred by the organiser(s).

The organiser of an event must not benefit from any discount e.g. free entrance 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 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 financial reward for organising an event.

## **6 Expenses policy**

Out of pocket expenses incurred by members who are involved with running the u3a may be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised and processed by the Treasurer on behalf of the trustees and no trustee shall authorise their own claim. Expenses may include attendance at the Trust's AGM and Conference or national/regional workshops.

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All claims need to be made on the appropriate form, available from the Treasurer, giving sufficient detail as to the nature of the expense.

Expense claims shall 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.

Costs of overnight accommodation will only be allowed with the prior agreement of the trustees.

## **7 Membership Fees and membership of more than one u3a**

The membership fee is reviewed on an annual basis. Romsey & District u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

For u3a members who can provide evidence of membership of another u3a Romsey & District u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

## **8 Asset register**

An asset register will be maintained by the Treasurer. It will record all assets held including their initial purchase price, date of purchase, estimated nominal value and location.

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.

## **9 Reserves**

Romsey & District u3a aims to maintain as a minimum a reserve of 50% of the previous year's operating costs, excluding interest group balances..

## **10 Related documentation**

Group's Financial policy dated 21/02/22

Policy adopted by trustees October 2022