

## Financial Policy for Scunthorpe and District U3A

### 1 Purpose

To determine financial controls, this policy has been drawn up to allow the financial activities of Scunthorpe and District U3A to be open and transparent to all of its members.

### 2 Trustees' financial responsibilities

Where applicable "Trustees" are committee members.

The trustees of Scunthorpe and 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 (constitution) and other relevant legislation (e.g Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document, relevant legislation and having them independently checked by a competent person.
- Showing a true and fair view of the state of affairs of the Scunthorpe and District u3a.
- Ensuring all financial records and receipts issued in the name of Scunthorpe and District u3a are kept for a minimum of six years.
- Ensuring the accounts record gross income and gross costs and are not 'netted off'.

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.

### 3 Banking

#### 3.1 Bank accounts

- All bank accounts are in the name of Scunthorpe and District u3a and operated by the Treasurer on behalf of 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 Treasurer and at least two other trustees as determined and minuted. 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.
- The Treasurer will attach a bank statement to the monthly income and expenditure account submitted at committee meetings.

### 3.2 Online banking

Access to the online account can be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.

Only the Treasurer and deputy Treasurer, if nominated, will have full access rights to the online banking facility. Authentication cards and card readers may be available to the nominated signatories for payment approval and oversight access purposes. The security of the online system is in line with the arrangements offered by Lloyds bank and in accordance with the mandated approval limits.

### 3.3 Payment by bank cards

Currently Scunthorpe and District u3a holds no business debit/credit cards. If this changes this policy will be up-dated.

## 4 Groups

### 4.1 Finances

Scunthorpe and District u3a have three different categories of interest groups as far as finance is concerned.

- Groups who do not handle cash.
- Groups who handle cash only to pay for room hire or speakers.
- Groups who handle cash and also use personal credit or debit cards to pay for group activities.

The Treasurer must be made aware if a group changes category.

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. This includes trips run by interest groups.

Groups can maintain cash floats of up to two months for room hire or to cover costs of special activities.

The funds of these groups belong to the u3a. Groups are permitted to make any expenditure deemed necessary by the group members.

The group leader or designated person in the group will keep a record of money paid in and paid out at each meeting on the interest group monthly finance form. (Money paid out to speakers or for trips also need to be accounted for on this form) This record will be available to group members on request and sent to the Treasurer annually or as requested.

This will;

- 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.

To manage the handover of cash and cheques to be paid into the Scunthorpe and District u3a bank account the committee has decided that:

- Bank paying in slips will not be given to group leaders for this purpose.
- Group leaders should not pay sums due by issuing their own cheque or paying online through their own bank account unless approved by the members of the group and the Treasurer. A simple income and expenditure account should be presented after each trip.
- Cash held back for cash flow purposes will be within the Scunthorpe and District u3a's approved limits (they may vary by activity).

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Scunthorpe and District u3a or specific interest groups. In these circumstances, it may be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim.

The committee (via the Treasurer) will monitor the income and expenditure of the groups. Group leaders need to provide regular information as agreed, to the Treasurer. Where groups do not comply, then the committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

## 4.2 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 (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 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.

It will not be allowed to fund social events from our main income, i.e members' subscriptions/payments, which have to be used solely in pursuance of our objectives.

### **4.3 Social Account**

Handling of day trips is via a separate bank account, (Social Account), which acts as a holding account. The account is run by the Treasurer on behalf of the Day Trip Organiser(s) and on the same principles as those applying to the general account.

The social account has its own cheque book, but for convenience the organiser(s) can have paying in arrangements, if approved by the Treasurer. All outgoing cheques must be signed by two trustees.

The cost of running a trip (coach hire, entrance fees, food costs etc) needs to be established and an itemised budget worked out to determine how much to charge and how many members are needed to make the trip viable. This budget needs committee approval before a trip can be run. At the end of each event, a final statement showing income and expenditure will be given to the committee.

In practical terms;

- Receipts should be issued by the Day Trip Organiser(s), to members paying for a trip.
- Invoices for services bought need to be kept.
- The trip organiser needs to keep a running total of numbers of members who have paid and the committee will use this information to monitor viability of the trip. (The secretary will contact the day trip organiser before a committee meeting to check on number of deposits paid and those fully paid-up).
- At the end of each trip, a final statement showing income and expenditure needs to be given to the committee.
- Any surplus from a trip can be held in reserve to help fund deposits and up-front costs of future trips
- The treasurer will need a yearly statement of income and expenditure in the social account to be included in the general account presented at the AGM.

## **5 Payments to other charities**

In line with charity law, Scunthorpe and District u3a will not raise funds for another charity that does not have similar charitable objectives. Scunthorpe and 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.

## 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 the expense form, invoice and or receipts. Expense forms must be signed by the person receiving the money and two designated signatories. No committee member should authorise their own claim.

Significant expenditure must be agreed and minuted by the committee before payment. Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

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

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.

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

The membership fee is reviewed on an annual basis. Scunthorpe and District u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members, while maintaining the level of reserves deemed necessary to run.

For u3a members who can evidence membership of another u3a, Scunthorpe and 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 is maintained by the Treasurer 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.

## 9 Reserves

Scunthorpe and District u3a aims to keep a level of reserves that will cover twenty-four months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.



Social account activities are excluded from this figure as these activities are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing.

## 10 Petty cash

The Treasurer will hold and maintain petty cash as appropriate for the needs of Scunthorpe and District u3a. The petty cash account will be presented at each committee meeting and checked by a different nominated Trustee each time.

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**Any financial matter which falls outside of this policy must be referred to and actioned by the Trustees.**

**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.**

### Attachments

Expenses form

<b>u3a SCUNTHORPE &amp; DISTRICT</b>
<b>EXPENSES CLAIM FORM/RECEIPT</b>
<b>PAYEE</b>
<b>DATE</b>
<b>AMOUNT</b>
<b>DESCRIPTION OF EXPENDITURE</b>
<b>SIGNED AS PAYMENT RECEIVED BY PAYEE</b>
<b>ATTACH RECEIPT/INVOICE PLEASE</b>
<b>DATE PAID</b>
<b>SIGNED</b>
<b>COUNTER SIGNED</b>

## Interest group expenses form

[illegible]

[illegible][illegible]

**YOU MUST ATTACH A LIST OF NAMES FOR ANY TRIP ORGANISED FOR THIS GROUP  
YOU MUST ALSO ATTACH ANY RELEVANT RECEIPTS**