

Seaford u3a: Financial Policy (revised September 2023)

1. Introduction

1.1 Purpose

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls, or Financial Policy.

1.2 Related documentation

u3a-KMS-DOC-033 Financial matters

2. Trustees’ financial responsibilities

The trustees of Seaford 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.
- 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 made available to members on the Website.

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

3. Banking

The trustees have agreed to use NatWest Bankline system and thus all signatories are obliged to control and monitor the use of Bankline to prevent unauthorised or erroneous Instructions and to minimise the risk of fraud.

Comply with the rules, procedures and security measures and operate the Security Devices, prevent the Security Details and Security Devices from becoming known to or accessible by any unauthorised person.

3.1 Bank accounts

- All bank accounts are in the name of Seaford University of the Third Age 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 Chairman, Vice Chairman, Secretary and Treasurer and/or other Trustees. This responsibility cannot be delegated.
- Where cheques are used these 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 Bankline system has been set up to include 2 administrators and 2 authorised users and the above notes apply to them.
- Under the Bankline system all payments have to be agreed by 2 different signatories. Only administrators can raise a payment but administrators or authorised users may confirm the payment.

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 NatWest and in accordance with the mandated approval limits.

3.3 Personal debit or credit cards

The use of personal debit or credit cards for interest group activities is allowed.

Prior approval must be given by the Committee for equipment and other items over a value of £10 to be purchased by Seaford u3a for 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.

Committee members may spend up to £50 on items needed by Seaford u3a without prior approval of the full Committee if the item is needed quickly.

4. Groups' finances

Home groups are free for members to join. The cost of joining other activities (including Hall groups, talks, coffee mornings, and Tea Parties) may be charged at cost, or may be subsidised at the Committee's discretion. Where charges are made, members are encouraged to pay in advance and money is not refundable. Money may be collected at the door.

4.1 Group activities

The ongoing activities of Interest groups are expected to be self-financing and they 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 belong to the u3a. Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership. The Group Leader(s) must draft a signed statement saying that two-thirds of the active group members agree to the expenditure, and the Group Co-ordinator must countersign the statement, saying the expenditure is reasonable. The draft must be held by the Treasurer. This is 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.

4.2 Receipts

To manage the handover of cash and cheques to be paid into the Seaford u3a bank account the Committee has decided that:

- Bank paying in slips will not be given to group leaders for this purpose.
- Group leaders 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 Treasurer.

4.3 Payments

The Treasurer will inform relevant Group leaders as to the approved process for payments relating to:

- When a trip is organised by and paid through the u3a or paid directly by the members to the trip organiser.
- When payments may be deducted from activity revenue to cover the cost of:
 - Venues
 - Coaches
 - Tutors
 - Speakers
 - Other
- When payment for venues, coaches, tutors, speakers etc must be paid by the u3a.
- A member's place is secured at the point when payment is made and no places can be reserved without payment. The organiser should keep a list of all participating members and it should be sent, along with any cheques collected, to the treasurer in order that payments by bank transfer can be checked. Once a payment has been made no refund can be given unless agreed between the Organiser and the Treasurer, for example if a replacement member comes forward.

Outside speakers must be asked to state their fees and any travel costs at the time of booking and to invoice the u3a via the Treasurer.

Seaford u3a Committee has decided that paid tutors should not normally be employed for any u3a activities'. If, after due deliberation, a group decides to hire a paid tutor 4.1 above will apply.

The Committee (via the Treasurer) will monitor the income and expenditure of the groups.

Where the level of expenditure makes it appropriate, 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.

4.4 Social activities

Events such as theatre trips, visits or educational days out should be charged at cost and all participants pay accordingly. If an event must be booked and paid before members have been invited to participate, then, in order to minimise the financial risk the Organiser must first assess the likely interest in the event. A price per head should be estimated, taking account of all known costs, and the membership advised of the likely cost. The Organiser should discuss the cost and likely take-up with the Treasurer, and agree an approach such that any short-fall is minimised. Any short-fall incurred having followed this procedure will be covered by Seaford u3a. 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.

4.5 Payments to other charities

In line with charity law, Seaford u3a cannot raise funds for another charity. Seaford u3a can 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. Expense claims over £150 will be authorised by the executive Committee, claims up to and including £150 will be authorised by the Treasurer, except claims made by the Treasurer which will be authorised by another Honorary Officer. No Committee member should authorise their own claim. 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. Alternative forms (e.g. spreadsheets) may also be used providing they give the required information.

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 (for more information see: <https://www.gov.uk/government/publications/rates-and-allowances-travel-mileage-and-fuel-allowances/travel-mileage-and-fuel-rates-and-allowances>). 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. Membership Fees

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

7. Asset register

An asset register is maintained by the Treasurer which records all assets costing more than £20, and with a life expectancy of more than one year; the register to include the initial purchase price, date of purchase, 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 should be reviewed annually.

8. Reserves

Seaford u3a aims to keep a level of reserves that will cover 6 months of typical operating activity. This is currently considered to be £5000. This is considered by the Committee to be a reasonable level for this type of charity, and it will be kept under review.

Social account activities are excluded from this figure.

The above Policy was adopted by Seaford u3a

On: 11 January 2021

Signed: 

Print name: Les Fothergill

Committee role: Chairman

Review of the above undertaken three years from the above date:

On: 11 September 2023

Signed: 

Print name: Les Fothergill

Committee role: Chairman