

In November 2020 a paper set out how we want Finance Policies to work in practice in Shipston on Stour Area u3a. Some policies were carried forward from earlier years and are generally based on the National u3a Guidance. The following paper updates the Committee on the situation. The Committee is invited to agree or comment upon the approaches being used.

## 1. Income

In the past members were invited to pay their subscriptions in cash, by cheque or by bank transfer. With the adoption of Beacon we added a new payment option using PayPal.

- The PayPal option has not been available for the past year because of problems meeting their very demanding validation requirements. If these can be resolved in due course, PayPal may become an online payment option.
- We intend to encourage members to pay their subscriptions in future using Bank Transfer, or cheque. We do not want to encourage payment by cash though we are prepared to accept this method if essential. The membership form for 2021-22 will focus on the preferred payment methods.
- Anne Watt receives any cheque (or cash) payments along with a membership form and sends any batches of cheques by post to the bank directly informing the Treasurer of the amounts involved. Anne updates the member's Beacon record.
- Bank Transfer information, shown on the bank statement is passed to Anne who can confirm payment in line with the member's application form.

Other general cheque income is to be sent directly to the Treasurer or Assistant Treasurer (the Finance Team) who will arrange banking.

If any cash is received for Monthly Meetings, the Finance Team should be advised by email and the person receiving the cash should make a bank transfer of the amount to the Unity Trust bank Account. The actual coin/banknotes should be retained by the person receiving the cash for their own use. If the person is not prepared to retain the cash and make a bank transfer, the money should be passed to any Committee Member who is prepared to do this, or passed to the Treasurer or Assistant Treasurer.

## 2. Expenses

In May 2021, the Committee endorsed proposals which clarified the arrangements for expenses incurred.

- 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 (These can be scanned or photocopies of receipts). Expense claims

will be authorised by another executive committee member and no committee member should authorise their own claim.

- All claims should be made to the Treasurer or the Assistant Treasurer by email or in writing 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 fines for parking or other infringements will not be allowed.
- Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the Executive Committee.

Payment arrangements continue as follows.

- Invoices which Committee members receive from suppliers should be forwarded for payment to Helen Pendery with a clear statement that the amount is correct and that the payment should be paid. If cash is retained at the same event, this can be used in part or full payment of expenses but a full statement of income and expenditure should be sent to one of the Finance Team.
- Expenses which Committee members incur can be claimed by sending an email (attaching any invoices or scanned copies of receipts) or by mail with supporting documents to Helen Pendery who will arrange payment.
- It is our intention to pay all expenses quickly and preferably by bank transfer. Expenses Claims should therefore include bank name, account name and number and sort code.
- All payments are recorded, with a reference transaction number on Beacon and vouchers to support the payment are retained.

### 3. Bank Mandates and Signing Authorities

Bank accounts were reviewed in the summer of 2020 and a new account for day to day banking was opened with the Unity Trust Bank. This is the main account used for transactions. Helen Pendery, John Dunlop and Therese Woodward are signatories to the account and can View, Submit Transactions and Authorise Transactions. Cheques and BACS payments in excess of £500 have to be double authorised. Most transactions are well below this level and the system operates smoothly and efficiently to pay invoices and refund expenses quickly. Very few cheques are now required as almost all suppliers accept bank transfer payments.

The HSBC account is still in existence and continues to be used for membership in-payments by cheque or by bank transfer. This account still has Caroline Green, Helen Pendery and John Dunlop as signatories. **It is proposed** that this account is closed before the start of the new membership payment round in March 2022. The Unity Trust bank details will be supplied to members who wish to pay by bank transfer after that.

The PayPal Account has been suspended and holds £40 of the u3a funds. Efforts have been made, unsuccessfully, to satisfy their account verification requirements. Further efforts will be made this autumn but it is likely that this account may have to be closed. PayPal is no longer offered as a payment method for members.

### 4. Group income and expenses

- Each group collects payments from members to cover the operating costs. These amounts are held by the Group Leader or their representative. Groups are required not to hold funds in excess of £50. The Treasurer will hold a individual Group Reserve for funds, passed to him, above this amount. Group leaders will be asked to send these funds by bank transfer to our Unity Trust Account and inform the Treasurer of the amounts. Group reserves are separate items on the SOSA u3a Balance Sheet.
- Groups are now able to access a facility on Beacon to enable them to keep a record of local funds received and amounts paid out or sent to Group reserves. Several Groups have begun to use this facility but there is no obligation for Groups to use this.
- Group payments for small items (teas etc) are handled locally. Major payments (for accommodation, equipment, etc.) are paid by the Treasurer using funds provided by the Group or from the Group's Reserve.

### 5. Equipment

Shipston u3a has several items of equipment which have been bought in the past either by the Committee or by Groups who raised the funds. These were listed on the Asset Register and were shown in the Annual Accounts. We have recently validated that all these pieces of equipment exist.

In previous years, the Treasurer treated a list of equipment used in the running of the u3a or in the Interest Groups as Fixed Assets to be depreciated over varying lifetimes. We have reviewed this approach and have concluded that this is a cumbersome exercise with little purpose. Some of the equipment was purchased by subscription in individual groups (not requiring input of funds from the u3a). As a result of this review, a decision was made at the May 2021 Committee, to write off all fixed assets in the 2020-21 accounts

In future all equipment authorised and purchased by the u3a or the Groups will be expensed in the year of purchase. Each piece of equipment will have an 'owner' and will be reviewed at the EC each year.

### 6. Financial Accounts

- The Committee receives an update on the financial position from the Treasurer each month, based on a report generated from Beacon.
- At year end the Treasurer prepares annual accounts for approval by the Committee in May in time for them to be presented to the AGM in June.

**7. Annual Independent Review**

In the light of the letter received from Gary Dolphin, the independent examiner of the accounts for 2020-21, in which he pointed out that, “as a small charity there is no need for you to have an independent Examination of the accounts”, the Committee decided not to require this for the next accounts due at the end of march 2022.

The absence of a formal requirement for independent review is helpful but the Committee may wish to satisfy itself that appropriate measures of probity are in place. At present John Dunlop and Helen Pendery keep an eye on the expenditure transactions taking place on the accounts and the Committee receives reports each month. Additional oversight may be considered if the Committee has any concerns.

John Dunlop  
Treasurer