

# Somerton u3a Finance Policy

## 1. Trustees' financial responsibilities

The Trustees of 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 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.

## 2. Banking

### 2.1. Bank accounts

- All bank accounts are in the name of Somerton 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 Chairman, Secretary, Treasurer and one other Trustee. 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.

### 2.2. 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 Santander and by the TSB Bank and in accordance with the mandated approval limits.

The Trustee/authorised signatory approved to operate online payments will obtain an authorisation for such payment from one of the three other authorised signatories before any payment is made.

### **2.3. Payment by bank cards**

Operation of the online banking service is under the control of the Treasurer who has full access rights and is 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 in the name of Somerton u3a will be approved by the committee. The use of these cards overrides the dual control aspect of the payment authorisation process, but is permitted, where agreed in advance 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.

Somerton u3a does not hold any debit/credit cards.

### **2.4. Personal debit or credit cards**

The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission must be sought from the committee where a group feels that there is no other viable way to make payments.

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Somerton 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.

All invoices must be issued in the name of Somerton u3a.

## **3. 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 belong to the u3a. 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 ringfenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and Group Leader(s) need to agree what records they need to keep of the group's transactions 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.

### **3.1. Receipts**

To manage the handover of cash and cheques to be paid into the Somerton 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 not 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
- cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity).

### **3.2. Payments**

The committee 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:
  - venues
  - coaches
  - tutors
  - speakers
  - other
- when payment for venues, coaches, tutors, speakers etc must be paid by the u3a.

Outside speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer.

Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

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.

### **3.3. 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.

### **3.4. Payments to other charities**

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

## **4. 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 will be authorised by the executive committee and 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.

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.

## **5. Membership Fees and membership of more than one u3a**

The membership fee is reviewed on an annual basis. Somerton u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Somerton u3a offers a system whereby the membership fee can be adjusted for those who can provide proof of benefits received.

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

## **6. 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.

## **7. Reserves**

Somerton u3a aims to keep a level of reserves that will cover six 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.