

# **ST IVES (CAMBS) U3A**

**Registered Charity 1147162**

## **FINANCIAL POLICY**

### **1. Trustees' financial responsibilities**

The trustees of St Ives (Cambs) 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 (eg Charities Acts, Companies Acts etc)
- Preparing Annual Accounts in accordance with the governing document, relevant legislation and on an accruals basis
- 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.

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 St Ives (Cambs) 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 chosen from the Chairman, Vice Chairman, Secretary and Treasurer, and/or other Trustees. This responsibility cannot be delegated. No two signatories can be partners or related.
- 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 can be accessed by the Treasurer but must also be accessed and monitored by an independent committee member.
- Blank cheques will never be issued.
- Whenever practical two people should be involved in counting cash receipts.

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## **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 the bank and in accordance with the approval limits authorised by the trustees.

## **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 delegated 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 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 St Ives (Cams) 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, and it will be the responsibility of the card user to ensure that there are sufficient funds in the account before the transaction is made.

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 or receipt, and should be advised by email to the Treasurer as soon as made.

## **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. 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 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.

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### 3.1. Receipts

To manage the handover of cash and cheques to be paid by group members, the committee has decided that:

- Group leaders may use funds collected from group members in order to pay sums due in relation to the group's activity. This may include issuing their own cheque or paying online through their own bank account.
- Where applicable receipts should be kept by group leaders, or acknowledged by email.
- Cash held back for cash flow purposes should be within a reasonable limit for the group's particular activity. This limit should not exceed £200 unless agreed in exceptional circumstances between the Treasurer and the group leader.

### 3.2. Payments

Outside speakers at Open Meetings should be asked to state their fees and any travel costs at the time of booking and bank details for a BACS payment or a cheque obtained from the Treasurer.

### 3.3. Social activities

Events such as theatre trips, visits or educational days out must endeavour to be charged at cost and all participants pay appropriately. The costs paid by members must cover out-of-pocket expenses.

A separate "social" bank account has been opened and will be used from 1<sup>st</sup> January 2020 specifically and solely for financial transactions relating to trips. Cash and cheque payments for trips should be passed to the Treasurer for banking, along with the appropriate transmittal form. Payments for the trip should be requested by the organiser on a payment request form submitted to the Treasurer who will either issue a cheque or arrange an online payment. After the trip, a reconciliation should be prepared by the organiser and submitted to the Treasurer to be checked against the accounts.

In accordance with the Third Age Trust guidelines any social activity which generates an excess of income over expenditure is deemed to belong to the U3A and cannot be refunded. However, if this excess is over £200, then a refund may be made to the participants providing it is agreed **before** the trip takes place, the organisers agree the amount of refund and the treasurer is notified. These refunds may be given in cash or by BACS transfer. Losses are to be underwritten by St Ives Cambs U3A.

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 incurred by the organiser and a driver's gratuity (where appropriate) can be paid 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 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. St Ives (Cambs) 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.

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#### **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 those nominated on the bank mandate, 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. St Ives (Cambs) U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members. This fee is an 'all inclusive' fee as defined by the Third Age Trust.

For U3A members who can provide evidence of membership of another U3A, St Ives (Cambs) 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**

St Ives (Cambs) U3A aims to keep a level of reserves that will cover twelve months of regular operating activity. This is considered by the committee a reasonable level for this type of charity. The level of reserves will be reviewed annually and, when the amounts of reserves allow, ways of using surplus funds for the benefit of the majority of members will be considered, for instance by offering group grants or summer school bursaries.

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.