Financial Policy and Procedure

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| **1.** | Trustees’ financial responsibilities |
|  | The trustees of Stourbridge 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 relevant legislation (e.g. Charities Acts etc). * Preparing Annual Accounts in accordance with the Constitution and relevant legislation. The accounts should accurately reflect the transactions during the period and the financial position at the date of sign 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. The Trustees are responsible for ensuring that the accounts are reviewed by a suitably qualified independent examiner.  To enable the trustees to carry out these responsibilities, the financial policy and procedures detailed in this document 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. |
|  | *The trustees will receive a monthly report from the treasurer detailing monies held in accounts, outstanding cheques and large payments made or due. The treasurer will also present a half year account and, at least one month before year end, a draft year end report with recommendation for level of fees for the following year.*  *The Committee will appoint someone to act as Assistant Treasurer. This role will include the responsibility to monitor the accounts by means of accessing the current account and Beacon finance sheets online and assisting the treasurer to maintain accurate records.* |

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| **2.** | **Banking** |
| **2.1** | **Bank Accounts**   * All bank accounts are in the name of Stourbridge 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, Vice Chairman, Business Secretary, Treasurer and Assistant Treasurer. This responsibility cannot be delegated. * All cheques must be signed by at least two signatories. * Stourbridge U3A will hold a current account and a linked deposit account which earns interest. * It will also hold an account with Paypal (or similar online money transfer account) for the sole purpose of transacting membership fees online through the U3A Membership and Finance management system. * The treasurer will be the main user, the business secretary and membership secretary will be additional users permitted to transfer money from the Stourbridge U3A Paypal account to the Stourbridge U3A current account. |
|  | * *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 with a second person given online viewing access to the account.* * *The treasurer must undertake a monthly bank reconciliation.* * *Blank cheques will never be issued.* * *Blank cheques will never be signed by one signatory for a second to complete later.* * *Cash and cheque receipts (primarily from interest groups and events/outings) will be noted in a duplicate receipt book. It is the responsibility of the individual paying cash/cheques to the treasurer or other nominated person to ensure that the amount shown on the receipt matches the amount paid to treasurer.* * *The treasurer has authority to move money between current and deposit accounts.* |

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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 of Stourbridge U3A and in accordance with the mandated approval limits.  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. |
|  | *HSBC, U3A’s current clearing bank, require that a limit on individual transactions and on total daily transactions is set in advance. These limits are currently set at £2,000.* |
| **2.3** | **Payment by bank cards**  The issue of any bank debit or credit card in the name of Stourbridge 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.  Stourbridge U3A currently holds one business credit card which is held by the Treasurer. All transactions made using this card are subject to review by the nominated officers through the online banking service. All such payments must be supported by an invoice or receipt made out to Stourbridge U3A. |
|  | *Use of the credit card for events/outings requires notification to treasurer in advance and invoice or receipt to be given to treasurer retrospectively.*  *Use of the card for purchase of goods requires agreement of the treasurer and one other person (group coordinator, chair, deputy chair) for amounts to £100. For amounts exceeding £100 full committee approval is required.*  *It is the responsibility of the treasurer to ensure that the monthly balance for the card is paid in good time to limit or avoid interest charges. This will usually be by direct debit as arranged with HSBC.* |

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| **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 Stourbridge 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 Stourbridge U3A. |
|  | *When a personal debit/credit card has been used with prior agreement of treasurer or committee, an expense claim with receipt must be submitted to the treasurer for reimbursement.* |
| **3.** | **Groups’ Finances**  Interest groups are considered to be a shared resource of Stourbridge U3A for the benefit of all members. Ideally each group will be self–financing i.e. income will cover expenditure. However, in order to provide a wide range of activities, it is understood that some groups will incur expenditure in excess of income.  The group leader must keep records to show names of members attending and money collected. Processes for dealing with Expenditure are detailed below. The aim of record keeping is 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. |
| **3.1** | **Receipts**   * The Group Leader is responsible for collecting money and paying into the Stourbridge U3A account. This role may be delegated to a named individual whose name must be given to the treasurer. * Group leaders should pay income to the U3A at least four times per year. |
|  | *To manage the handover of cash and cheques to be paid into the Stourbridge 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. Online payments should be notified to treasurer by email.* * *Where applicable receipts will 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.* * *Small sums (up to £10) for printing etc. may be deducted from income before being paid to the U3A.* * *Group leaders should not hold funds for cash flow purposes.* |
| **3.2** | **Payments**  The committee will inform relevant group leaders as to the approved process for payments relating to:   * Group outings * Venue hire * Speakers * Tutors   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. |
|  | * *Planned expenditure for group materials or equipment above £10 must be approved by treasurer and group coordinator (above £50 committee approval required) and will usually be by U3A cheque or credit card. It may occasionally be by personal card (see note above).* * *The treasurer will pay venue hire costs directly. Occasional speakers/paid tutors for groups should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer. Invoices are required for speakers/tutors.* * *When a group arranges an outing where the total cost per person is in excess of £5, this should be agreed in advance with the treasurer and ticket price set as for U3A events and outings. Coach hire and admission price should be paid by U3A by cheque or credit card and the group leader is responsible for collecting money from attendees and paying to U3A.* * *Where a group travels independently and no advance payment is required for admission, attendees may pay personally without using U3A payment methods. Where this is part of the regular group meeting the members are required to make £1 payment to U3A (insurance cover is then in place for this event).* * *A group of members of U3A may arrange an outing as a private event and meet their own costs without reference to U3A. U3A insurance does not cover such an event.* |

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| **4.** | **Social Events and Outings**  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.  Stourbridge U3A does not make any financial reward (including small gifts) to members who speak at a monthly meeting or organise an event or outing. Nor does it make gifts to Officers/Trustees when they stand down from office.  *See Guidance for Organising Outings document.* |
| **5.** | **Payments to other charities**  In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives. Stourbridge U3A will make payments to speakers who have indicated that they intend to donate their fee to a specific charity or directly to a charity as purchase of a service (i.e. provision of a speaker). |
| **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 receipts. Expense claims will be authorised by a member of the committee (for amounts to £20) and by the Chair or Treasurer plus one other member (for amounts above £20) 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 committee. |

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| **7.** | Membership Fees and membership of more than one U3A The membership fee is reviewed on an annual basis. Stourbridge U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members.  For U3A members who can evidence membership of another U3A, Stourbridge U3A will reduce the cost of membership by the amount that is paid to the Third Age Trust for each member. |
|  | *All U3A members are required to pay £1 for each group meeting or event/outing they attend. The interest group leader and lead organiser of an event/outing is excepted from this.*  *Visitors to groups, events or monthly meetings are required to pay £2 per session. No visitor may attend more than three of these events (monthly meetings, interest groups or social activities/outings) in any membership year.*  *A person attending any of these in the capacity of carer is not required to pay this attendance fee, but is required to pay the ticket price of the event/outing if applicable.* |
| **8.** | **Asset Register**  An asset register is maintained by the Accommodation Officer 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.  All assets are considered to belong to Stourbridge U3A, even if their main use is by one interest group. |
|  | *Description of items purchased detailing make and model number and cost will be given to Accommodation Officer at time of purchase.* |
| **9.** | **Reserves**  Stourbridge 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. |
|  | *The treasurer is responsible for ensuring that the level of reserves throughout the year is in accordance with the Policy.* |

Policy approved by Stourbridge U3A Committee at its meeting on 30 July 2020.