

TAW U3A

FINANCIAL AND RESERVE POLICY

Introduction

The purpose of this document is to ensure that Taw U3A maintains and develops systems of financial control and has a Reserve Policy that conforms to the requirements of good financial management. These financial regulations define and set out the principles, policies, procedures, rules and guidance and responsibilities which govern the finance and financial management of Taw U3A. The regulations cover the Charity as a body and its Trustees and members as individuals who have duties and responsibilities to Taw U3A.

The purpose of this Policy is to protect the finances and financial stability of Taw U3A, to protect Taw U3A Trustees and members from any suggested financial impropriety and to ensure that the raising, safeguarding, expenditure and gifting of money or financial assets is managed with the utmost propriety and in accordance with the relevant standards and law.

All Trustees and members are bound by these financial regulations and must ensure they comply with them when dealing with any financial issues relating to Taw U3A. Any queries relating to this Policy should be directed in the first instance to the Treasurer of Taw U3A.

These regulations should be read in conjunction with the Constitution of Taw U3A. If there is any conflict between the two documents the Constitution should prevail.

Fundamental Principles

Trustees must be open, accountable, honest and beyond reproach in exercising their powers and fulfilling their duties and responsibilities to the Charity.

Trustees must exercise due care in using their powers and fulfilling their duties and responsibilities in relation to finance and the financial affairs of the Charity.

Taw U3A will comply with its financial obligations under the Charities Act 2011 and any subsequent applicable amendments and any other applicable regulations and law.

The Charity and individual Trustees are bound by these financial regulations and any subsequent supplements, amendments or succeeding reviews.

The Trustees will annually review these regulations to ensure their continued effectiveness.

These Financial Regulations can only be amended at a properly convened meeting of Trustees.

This power to amend these Financial Regulations cannot be delegated.

Accounts

The Trustees of all Charities are under a duty to ensure that the Charity keeps proper books and records and that the financial accounts and Annual Report are prepared.

Taw U3A will keep accounts in accordance with Charity Law and accounting regulations.

This will include the following policies and practices:

- 1] The Trustees will keep proper books and records and prepare annual accounts which shall be properly audited or properly examined according to Charity Law.
- 2] Financial accounts will be prepared annually for the period 1st April to 31st March including accounts for Interest Groups. Interest Groups must not open Accounts in their own name or in the name of a member.
- 3] All Accounts will conform to the Charities Act and Charities Regulations and will be in tune with methods and principles required by the Charity Commission.
- 4] The Trustees will formally approve an Annual Report and Financial Accounts.
- 5] The Financial Accounts along with the Trustees' Annual Report will be submitted to the Charity Commission, prior to the prescribed deadline by the Treasurer.
- 6] The following items do not need to be included in the Accounts:
 - a] Holidays

Bank Accounts

The Trustees have overall responsibility for ALL Bank Accounts relating to Taw U3A activities.

Those Accounts that fall within the remit of Taw U3A under its Charity Status must be handled by the Treasurer and the Trustees.

All accounts, cheques and bank transactions must require the signature of TWO Trustees as per the Bank Mandate. All Accounts need more than two Trustee signatures on the Bank Mandates and signatures must not be related or in a relationship.

Interest Groups must provide the Treasurer, at the end of the Financial Year {31 March}, with Financial details on the required form provided by the Treasurer.

The Trustees have a responsibility to ensure that the Charity or its Interest Groups do not run negative accounts. If this happens the Trustees have a responsibility to take appropriate action to resolve the issue. The opening of ANY Taw U3A Bank Account must be authorised by the Trustees who must set out and Minute the arrangements covering the operation of these Accounts including transfers, cheque signing arrangements and BACS arrangements.

BACS payments will be made on completion of an authorisation document signed and countersigned by 2 of the following Treasurer, Assistant Treasurer, the Chairman, or a Nominated Trustee prior to the payment.

The Treasurer and one other Trustee will always be authorised signatories of ALL Taw U3A Bank Accounts. There may be additional signatories as agreed by the Trustees.

Changes to Bank Mandates can only be made by a decision of the Trustees and MUST be Minuted.

Blank Bank Cheques will never be issued nor Blank Cheques issued with one signatory for the second to complete.

Organisation

The Board of Trustees

The Board of Trustees has overall responsibility for the administration of the Charity's finances. The main responsibilities of the Trustees are prescribed in the Constitution of Taw U3A.

The Treasurer

The Members from time to time will appoint a Treasurer at an AGM. The Trustees will determine his/her powers and duties and at the Trustees' discretion, remove or suspend the Treasurer from office. The person appointed will be responsible for the oversight of Taw U3A financial affairs in accordance with principles and practice of sound financial management and governance in accordance with the powers and duties as determined by the Trustees.

The Trustees may appoint an Assistant to the Treasurer to assist with these duties.

The Treasurer and Assistant Treasurer shall be Trustees.

Duties of the Treasurer

- 1] To ensure that proper financial records are kept.
- 2] To prepare and obtain approval for the Annual Budget. The Budget must be approved by the Trustees at least one month before the end of the current financial year (31 March).
- 3] To ensure that all Financial Controls and Budgets are maintained and in-year changes to the budget are authorised by the Trustees.
- 4] To regularly monitor the actual expenditure and income against the budget and report on a regular basis to the Trustees.
- 5] To ensure that Trustees are informed of any problems relating to any financial matters affecting the financial viability of Taw U3A.
- 6] To ensure that all Interest Groups finances are monitored in respect of this document and are regularly reviewed.
- 7] To be a signatory on ALL Taw U3A Bank Accounts
- 8] To ensure that Bank Statements are received regularly and that reconciliations are carried out regularly.
- 9] To maintain back-up copies of the Accounts and to send a copy of the Accounts to the Assistant Treasurer or the Chairman bi-monthly.

- 10] To ensure the Annual Accounts are produced in accordance with the requirements of Charity Law and the requirements of the National U3A organisation and are presented to the Membership at an AGM.
- 11] To submit the Annual Return and Accounts to the Charity Commission and where appropriate to U3A Head Office.
- 12] To be responsible for claiming Gift Aid in line with current regulations.
- 13] To be responsible for maintaining the Assets Register.
- 14] To carry out a comprehensive handover to a new Treasurer when applicable.

Financial Information

The Trustees must maintain reasonable arrangements for the safe and secure keeping of financial information including ensuring that there are effective backup procedures for the system including sending a back-up copy of the Financial Database to the Assistant Treasurer or Chairman every 2 months. The Trustees will maintain arrangements to comply with Data Protection and have an agreed Policy. A recovery plan should be in place prior to the event of loss of accounting facilities and should have been approved by the Trustees. This should link in with the Trustees' Annual Assessment of the major risks to which the Charity is exposed and with the systems that have been in place to mitigate these risks. The Budgets should be seen as a working document which may need revising throughout the year as circumstances change. The Budgets should also take into account the effect of the Charity's Balance Sheet in particular to liquidity and availability of funds. It should be a general rule that expenditure should not be made from income collected at events except for small purchases and then receipts should be kept.

Interest Groups

Funds of all Taw U3A Interest Groups are controlled by this Financial Policy and must be returned to Taw U3A if the Group ceases to exist for the use of New Groups.

Interest Groups may claim up to £100 per Financial Year for equipment which needs approval of the Trustees. Interest Group money within the Taw General Account will be ring fenced and not used for General use.

New Interest Groups may claim up to £50 Start Up Grant.

If an Interest Group folds any outstanding money will be put into the Taw Savings Account for the benefit of any new group.

The use of personal Debit and Credit Cards for Interest Group activities must be agreed with the Treasurer. Interest Groups are expected to be self-financing and can collect such sums of money, as needed to undertake their activities.

Taw U3A Treasurer must agree with Group Leaders what Records are needed in order for the Taw Treasurer to maintain accurate records.

Holidays

Holidays organised by Taw U3A or its Interest Groups should be booked and paid for direct with the Tour Operator.

Trips

On 1 July 2018 the Package Travel and Linked Travel Arrangements Regulations 2018 came into force affecting Trips and Linked Travel Arrangements.

Taw U3A, as a not for profit organisation, is exempt from the Regulations providing:

- a] Packages and Linked Travel Arrangements cover a period of less than 24 hours. Where overnight accommodation is included this will be a Linked Package and falls within the Act.
- b] Packages offered and Linked Travel Arrangements facilitated, held occasionally on a non profit basis and only offered to Members. [Advice given is that occasionally should not be more than 10 times a year]

Hire Agreements and Contracts

Where Hire Agreements need to be signed and there is a Financial Penalty, the Agreement needs to be signed by a Trustee as it is a financial commitment to Taw U3A, otherwise the Financial liability lies with the person signing the Agreement.

Reimbursements of Expenses

All necessary costs incurred by Trustees or a Member in a role on behalf of Taw U3A should be reimbursed if approved by the Treasurer and the Chairman, if supported by the required documentation.. Any mileage rate will be agreed by the Trustees.

Membership Fees including Affiliated Membership

The Membership Fee and the Affiliated Membership Fee should be set on an annual basis. TawU3A is committed to keep the Membership Fee as low as possible to ensure Taw U3A remains accessible to all. For U3A members who can evidence membership of another U3A, Taw U3A will decide the appropriate Fee It will include the Beacon Levy BUT must not include the National Levy.

Asset Register

All Capital Items must be entered in an Asset Register. The Asset Register should include the following information:

- 1] Asset Description.
- 2] Asset Number.
- 3] Date of Purchase.
- 4] Cost.
- 5] Expected useful life.
- 6] Depreciation.
- 7] Book Value.
- 8] Location.
- 9] Name of Person responsible for Asset.

There should be a full annual check of all items entered on the Asset Register.

All items held in store should be in a secure maintained unit and be the responsibility of the Taw U3A.

The Trustees should consider Insurance for all items held on its Asset Register.

Insurances

Trustees should regularly examine all Taw U3A activities with respect to relevant Risk Assessments and consider which risks may need the purchase of Insurance Cover. Trustees need to decide which areas of Taw U3A activities present a real or significant risk of a particular form of loss or liability occurring. In particular if the decision is made not to insure against a risk Taw U3A should be able to continue its work and remain viable if it incurred losses from this risk.

Reserve Policy

In the case of the need to wind up the Charity the Trustee's must have in place enough reserves to ensure that liabilities can be met including those of Interest Groups.

All Interest Groups must provide the Treasurer with a Balance Sheet at the end of each Financial Year to ensure that the Trustees can ascertain at its next meeting the viability of the Charity.

The Trustees should then consider the Reserves required for the coming year to ensure the viability of the Charity and this should be Minuted.

The Reserves should never be less than £3,000

Amended April 2022

Review Date April 2023