

1. Trustees' financial responsibilities

The trustees of Tiptree U3A are responsible for:

1. Safeguarding the assets of the charity.
2. Identifying and managing the risk of loss, waste, theft or fraud.
3. Identifying officer appointments which do not provide strict segregation of duties and minute decisions made.
4. Ensure the proper use of resources in line with the constitution.
5. Ensuring that financial reporting is robust and of sufficient quality.
6. Keeping financial records in accordance with the constitution and relevant legislation (e.g. Charities Acts, Companies Acts etc).
7. Review regularly the financial performance of the charity.
8. Determine and regularly review a reserves policy appropriate for the charity's activities.
9. Preparing and approving annual accounts in accordance with the constitution and relevant legislation.
10. Ensure that the accounts are subjected to external review as required by the constitution and relevant legislation.
11. Ensure that, where required, the trustee's annual report, accounts and annual return are filed on time with the Charity Commission.

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 finance policy 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.

In this policy where the word Treasurer is used it also includes the Assistant Treasurer unless explicitly stated otherwise.

The policy will be reviewed annually.

2. Maintaining and preparing accounts

The treasurer is responsible for maintaining financial records, in accordance with the U3A's finance policy, preparing the financial accounts for the annual general meeting and for filing with the Charity Commission.

1. All financial records must be kept for a minimum of six completed years plus the current year.
2. Accounts are to be in "receipts and payments" format.
3. Accounts must record gross income and gross costs.

4. Accounts must include all Tiptree U3A activities including those of all interest groups, excluding
 - a) Contributions to refreshments in a members home.
 - b) Transactions which take place directly between a member and a supplier. e.g. payments to a pub/restaurant, entry fees to a garden or house, or fares.
5. Whenever practical two people should be involved in counting cash receipts.
6. All cheques and cash received should be banked promptly and regularly and recorded in the U3A accounting records.
7. Payments must be made by the due date so that no late payment penalties are charged.
8. Bank accounts must be reconciled with the financial records monthly,

3. Banking

3.1 Bank accounts

Tiptree U3A operates two bank accounts.

1. The Main bank account holds the membership and visitor fees, for example used to pay for monthly meetings, Third Age Trust membership fees and the Third Age Matters magazine distribution costs.
2. The S&R (Social and Recreational) bank account holds all interest group funds used to pay for group activities. It also holds funds and pays for events organised by the Social Secretary.
3. All bank accounts are in the name of Tiptree U3A and operated by the trustees.
4. New accounts may only be opened by a decision of the trustees, which must be minuted.
5. Changes to the bank mandate may only be made by a decision of the trustees, which must be minuted.
6. The authorised signatories are the Chairman, Treasurer and Assistant Treasurer. This responsibility cannot be delegated.
7. All bank statements must be sent to the Treasurer directly.

3.2 Payments by cheque

1. All cheques must be signed by two signatories.
2. The signatories are responsible for examining the cheque for accuracy and completeness.
3. The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque.
4. Blank cheques will never be issued.
5. Blank cheques will never be signed by one signatory for a second to complete later.

3.3 Payments by online banking

Where online banking is used to make payments:

1. Online banking for payments can only be used by a decision of the trustees, which must be minuted.
2. Only authorised cheque signatories will have access to this facility.
3. The security of the online system must be in line with the conditions and arrangements offered by the Bank and in accordance with any mandated approval limits.
4. Payments made through online banking will be done using the Bank's dual authorisation system.
5. The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to creating or authorising payments.

3.4 Payment by bank cards

Where bank debit and credit cards are used:

1. The issue of any bank debit or credit card for use by Tiptree U3A will only be done by a decision of the trustees, which must be minuted.
2. Only the authorised user should have access to the bank card. The card number, PIN and security code should never be disclosed to anyone else.
3. Payment by bank cards can only be made with the prior agreement of a second cheque signatory who is responsible for examining the payment documentation (purchase invoice etc.) prior to authorisation.
4. In exceptional circumstances a personal credit card may have to be used when arranging activities on behalf of Tiptree U3A. These transactions must be agreed in advance by email with another cheque signatory.

4. Membership fees

Membership fees are collected by the Membership Secretary.

1. Membership applications and renewals are to be recorded as soon as possible after receipt.
2. Membership fees are to be given to the Treasurer as soon as possible after being recorded.
3. Receipt of funds by the Treasurer will be acknowledged by email or by receipt where applicable.
4. Membership fees are paid into the Main bank account.
5. Trustees should make regular checks to reconcile the membership fees banked with membership records.

5. Visitor fees

Visitor fees are collected by the Membership Secretary at monthly meetings.

1. Visitor fees are to be given to the Treasurer as soon as possible after collection.
2. Receipt of funds by the Treasurer will be acknowledged by email or by receipt where applicable.
3. Visitor fees are paid into the Main bank account.

6. Group finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members and organiser deem to be necessary to undertake their activities.

1. Group funds belong to Tiptree U3A.
2. The funds for each group are ring fenced and can only be used for that group's activities.
3. Groups are only permitted to make expenditure in line with the U3A's charitable purposes.
4. The Treasurer will monitor the income and expenditure of groups and report to the trustees.
5. After the closure of a group any surplus funds can only be reallocated by decision of the trustees, which must be minuted.
6. The Treasurer, Group Co-ordinator and Group Organisers need to agree what records they need to keep of the groups' transactions in order to:
 - a) Allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the trustees and to meet regulatory requirements.
 - b) Allow the group members to understand how their monies are being managed.
 - c) Maintain transparency and trust for all concerned.
 - d) Minimise the risk of error and potential loss of funds.
 - e) Allow group organisers to maintain cash floats.

6.1 Receipts

The trustees will inform relevant group organisers as to the approved process for banking the cash and cheques collected from group members.

1. All group funds to pay for Tiptree U3A organised activities must be held by the U3A on behalf of the group excluding the activities listed in section 2 point 4 and agreed small cash floats.
2. Receipt of funds by the Treasurer will be acknowledged by email or by receipt where applicable.

6.2 Payments

The trustees will inform relevant group organisers as to the approved process for payments.

1. All group activities organised by Tiptree U3A must be paid from group funds held by Tiptree U3A with the exception of the activities listed in section 2 point 4.
2. Group organisers incurring a financial commitment for a new venue hire must agree with the Group Coordinator how the commitment is to be funded before the venue booking is confirmed. The Group Coordinator will advise the trustees of these arrangements.
3. Group organisers who arrange venue hire must give the treasurer a copy of the booking documentation as evidence that venue booking invoices are to be paid.
4. Group organisers must advise the treasurer when venue bookings are cancelled or a venue booking invoice should not be paid.

5. 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.
6. Payments can only be made after confirmation with documentation provided by the group organiser.
7. Payments can only be made where a group has sufficient money in it's ring-fenced funds.
8. Where groups do not comply with this policy then the trustees will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

6.3 Personal debit or credit cards

The use of group organiser's personal debit or credit cards for group activities is not encouraged.

1. Permission must be sought from the trustees where a group feels that there is no other viable way to make payments.
2. All invoices must be issued in the name of Tiptree U3A and given to the Treasurer for inclusion in Tiptree U3A's financial reports.

6.4 Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants pay appropriately.

1. The costs paid by members must cover out-of-pocket expenses, e.g. coach driver tips.
2. 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.
3. Out-of-pocket expenses can be paid to an organiser out of the money collected for the event.
4. All U3A members offer their services free to the movement, therefore the organiser(s) must not get any monetary reward for organising an event.

7. Payments to other charities

In line with charity law and the U3A constitution, Tiptree U3A cannot raise funds for another charity that does not have similar charitable objectives to itself.

1. Tiptree U3A can purchase services from another charity, e.g. hall or speaker hire.
2. Tiptree U3A can make payments to speakers who have indicated that they intend to donate their fee to another charity.
3. Tiptree U3A is only allowed to directly pay another charity when the nominated charity has similar objectives and the speaker provides a disclaimer of their fee/ expenses in favour of the nominated charity.
4. If a U3A member wishes to support a charity that does not have similar objectives then the proceeds from any activity which the member has organised must be remitted to the charity by the member using their own personal bank account.

8. Petty cash

Where the Treasurer uses petty cash:

1. Petty cash can only be used by decision of the trustees which must be minuted and include
 - a) The maximum amount of the petty cash fund
 - b) The maximum amount of a single payment
 - c) Where petty cash can be used
2. Use of petty cash is at the discretion of the Treasurer.
3. Reimbursement in cash can only be made on presentation of a supplier receipt.
4. The Treasurer cannot be reimbursed from petty cash without written authorisation from another cheque signatory.
5. Each use of petty cash will be individually documented and itemised in a petty cash account.
6. Use of petty cash will be reviewed annually.

9. Budgets

The treasurer will prepare an annual budget of income and expenditure for approval by the trustees.

1. The budget excludes interest group activities which are self-financing.
2. The budget will include the previous year's actuals for comparison and the current year forecast.
3. The trustees should measure actual performance against the budget at regular intervals.

10. Expenses policy

Out of pocket expenses necessarily incurred by trustees or any member of the U3A in a U3A role will be reimbursed.

1. Reimbursement limits and conditions applied to expense claims set by the trustees must be minuted and available in writing to members.
2. All travel, accommodation and food expenses will be authorised by the trustees and minuted before the expense is incurred.
3. Expense claims will be submitted with receipts.
4. Expense payments will be authorised by two cheque signatories.
5. A cheque signatory cannot authorise their own claim or the claim of a family member.
6. Expense claims should reflect the best value option available.

11. Membership fees and membership of more than one U3A

Tiptree U3A is committed to keeping the membership fees as low as possible to ensure that the U3A remains accessible to all members.

1. The membership fee is reviewed on an annual basis.

2. Tiptree U3A does not offer a reduction in membership fees for members who are also members of other U3As.

12. Gift aid

Gift aid is an important contribution to the charity’s funds and proper controls and records must be in place to maximise and ensure it’s valid collection.

1. Gift aid is claimable on the basic membership subscription only
2. Gift aid records must be kept for six years
3. All correspondence from HMRC and the Charity Commission must be kept indefinitely
4. HMRC reviews the declaration form regularly so the Gift Aid form must be checked annually.
5. Declarations must be updated when members change address
6. The U3A must ensure that it has a valid declaration for every member listed in a claim

13. 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.

1. 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.
2. The register is reviewed annually.

14. Reserves

Tiptree U3A aims to keep a level of reserves determined by the trustees to cover:

1. Running costs to allow a managed closure of the U3A.
2. Costs of outstanding commitments.
3. Replacement of assets.
4. Development plans which have been agreed by the trustees and minuted.

Social account activities are excluded from this figure as these activities are entirely self-financing.

Version History

Version	Date	Change
1	19/08/2020	This policy is based on <ul style="list-style-type: none"> • U3A Finance Policy Template 31-07-19 • U3A Finance Matters U3A-KMS-DOC-033 • Charity Commission Internal Financial Controls CC8 • Charity Commission Checklist CC8