



WARSASH u3a FINANCIAL POLICY

1. The purpose of these financial controls is:

- to protect the Warsash u3a's (wu3a) assets.
- to identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud.
- to ensure that financial reporting is robust and of sufficient quality.
- to ensure that the Trustees comply with charity law and regulation relating to finance.
- to protect the Trustees against the charge of failing to protect wu3a's assets and funds.
- to ensure Trustees and Convenors do not suffer any financial loss related to the running of wu3a.

2. Protect wu3a's finances and assets

The Treasurer maintains a record of all income and expenditure and the financial status, in sufficient detail to enable the Trustees to manage wu3a finances and assets. The accounts and supporting documentation are available to Trustees and annually the accounts are inspected by an independent examiner. The Treasurer will provide a Statement of Accounts to the AGM and answer any questions from the membership.

wu3a equipment must be documented in the Asset Register by the Treasurer and provided as part of the yearly audit process. Items over £250 are capitalised and written off over their useful life.

Bank Accounts and Investments – The Treasurer ensures no bank account exceeds the FSA guarantee limits. Any investments or new bank accounts are to be authorised by the Trustees.

Dual Payment Signatories – The wu3a Executive Committee will appoint up to 5 (Treasurer plus 4 Trustees) authorised bank account signatories. All payments will be raised by the Treasurer, or when unavailable by a bank account signatory, and authorised by a different bank signatory Trustee.

Beacon – Beacon provides a robust way of tracking all income and expenditure via the Ledger. This is maintained by the Treasurer and reconciled monthly against the bank statement, reviewed by a second Trustee and any discrepancies resolved. All Executive Committee members must have read only access to the Beacon Ledger.

3. Identification and management of the risk of conflicts of interest, loss, waste, bribery, theft or fraud.

Segregation of duties – No individual on their own will have responsibility for any transaction, from authorisation to completion and review.

The Annual Budget – A budget is to be created each financial year by the Treasurer showing income and expenditure and incorporating budgets for the spending Groups, prior to the setting of the Membership fee by the Executive Committee for the following year.

4. Income

All income is to be banked using the wu3a Trustee's Bank Account at Lloyds Bank, Park Gate. The Treasurer should be informed promptly of all money paid in and will reconcile with the bank statements.

Monies, ideally in the form of cheques or BACS, received from members in advance for events, venues and trips to be receipted and banked by the Treasurer. The Treasurer is to pay for the event by cheques or BACS.

The Treasurer is responsible for the correct handling of income. Income should be banked gross without deduction of costs or expenses. Records must be maintained for each event to identify gross receipts or takings and costs incurred.

Every efforts is to be made to minimize any surpluses. Any surplus to be banked.

Gift Aid – The Treasurer will raise the claim, based upon the members' database and in accordance with the HMRC guidance. The Membership Secretary is responsible for retaining the gift aid forms to support the database.

Members' Gift Aid eligibility should be revalidated at membership renewal each year.

5. Petty Cash

Cash payments must be made from the petty cash float. A petty cash book must be retained and audited and payments made against receipts. The petty cash float is not to exceed £100 and replenished from the Account.

Supporting documentation for cash payments should be authorised by a second Trustee.

Regular spot checks of the petty cash float should be made by a second Trustee.

The petty cash account must be identified within the Beacon accounts.

6. Purchases & Payments

Authorisation to Purchase – The Executive Committee authorises all purchases, either through the budget process, or for specific items as a requirement arises. These authorisations are recorded in the minutes. Trustees must ensure they have the relevant authority before committing to any expenditure. An Officer and one other Trustee can approve items up to £50 if the item needs purchasing before Executive Committee approval can be obtained.

Purchase Process – In normal circumstances, prior to any purchase, quotations should be obtained and submitted to the Executive Committee for approval. The Trustee making the purchase is responsible to ensure best value for money and for informing the Treasurer that the goods or services have been received and should be paid for. The Treasurer will check invoices against orders and in normal circumstances make all payments.

Payments – Purchases should be invoiced to wu3a for payment by the Treasurer using wu3a cheque, BACS or wu3a debit card. A receipt must be forwarded to the Treasurer.

Expenses – Examples of legitimate expenses would be: – authorised travel on trustee business, postage costs, stationery and telephone calls. All expenses should be authorised by an Officer and of course no-one should authorise his/her own claim. All invoices will be paid without undue delay.

7. Group's Finances

All Groups must be financially self-supporting and their finances 'ring fenced'.

Group Leaders should not suffer financial loss related to the running of their Group.

All monies received are to be receipted and banked and any payments (hall bookings, theatre visits etc) to be made by the Treasurer.

When the hire of a venue is required it must be booked and paid for by the Treasurer. The contractual agreement for the hall hire is made by the wu3a and signed by a Trustee. The cost of the venue must be shared between the group members.

When a group holds regular meetings in a hall a fee is to be set for a fixed period which group members pay up front. Payment is to be made to the Treasurer by cheques or BACS. Beacon 'Groups Ledger' shall be used to track venue payments and fees from group members.

Group Leaders are authorised to hold up to £100 in cash prior to banking. A National Office insurance policy covers wu3a cash held in members homes, hired premises and in transit, up to £1000.

The Secretary will record all financial expenditure decisions by the Executive Committee in the meeting minutes.

Provision of a discretionary loan (usually no more than £50) to cover set up costs can be requested from wu3a, but must be refunded by Group members to wu3a.

8. Ensuring that financial reporting is robust and of sufficient quality

The Executive Committee shall determine the financial controls and procedures to be followed by wu3a in accordance with the Constitution.

Review of financial controls – The Trustees will conduct a review of financial controls annually to assess their appropriateness. The financial information provided at each Executive Committee meeting includes details of wu3a's financial position and performance. It is sent to each trustee before each meeting by the Treasurer and will typically include:

- the latest bank account statement and closing bank balances.
- a spread sheet showing a breakdown of the budgets, income and expenditure on a monthly basis including petty cash.
- an explanation for variances between forecasts and actualities.

The meeting sets aside a specific time within the agenda for discussion of financial matters and to allow the trustees to raise any issues of concern.

This Policy to be reviewed annually.