

West Leicestershire u3a Financial Policy and Procedures

1. Trustees' financial responsibilities

- The trustees of West Leicestershire 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 (e.g., Charities Acts, Companies Acts etc).
 - ◊ Preparing Annual Accounts in accordance with the governing document and relevant legislation.
 - ◊ 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. 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 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 West Leicestershire 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, Secretary and Treasurer. This responsibility cannot be delegated.
- Dual authorisation of payments is required for all payments except where this is not possible in which case additional controls will be implemented as described in sections 2.2 and 2.3 below. Dual authorisation will require approval (signature) by two of the Authorised Signatories
- All cheques must be signed by two signatories. The signatories are responsible for examining the payment documentation (e.g., purchase invoice etc.) prior to signing the cheque. Blank cheques will never be issued. Blank cheques will never be signed by one signatory for a second to complete later.
- All bank statements must be sent to the Treasurer directly.
- All payments must be supported by an invoice or receipt made out to West Leicestershire u3a.

2.2. Online banking

- 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 (such approval to be minuted) and in accordance with the bank mandate.
- Dual control of transactions with approval from two of the Authorised Signatories is desirable provided this facility is available to West Leicestershire u3a by the bank. If it is not available, then the Treasurer will obtain approval (via email) from one of the other Authorised Signatories before making payments using online banking.

2.3. Payment by bank cards

- West Leicestershire u3a holds one debit card in the name of the Treasurer.

- The use of this card 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.

2.4. Use of personal debit or credit cards

- It is recognised that use of personal debit or credit cards for interest group activities or for other u3a purchases is sometimes the most practical way to make payments. However, this needs to be managed carefully and should only be used when the person making the payment already has monies to cover the payment (e.g., cash from members who have signed up for a trip where the trip needs to be paid by card) or is paying for an item that has been specifically authorised by the committee (e.g., purchase of some equipment).

2.5. Purchase of equipment

- Prior approval must be given by the committee for equipment to be purchased for the use of West Leicestershire u3a or specific interest groups.
- All invoices must be issued in the name of West Leicestershire u3a.

3. Interest Groups' finances

- Interest groups are expected to be self-financing and can collect such sums of money as the Group Co-ordinator(s) and the group members deem to be necessary to undertake their activities. The funds of these groups belong to the u3a.
- The Treasurer and Group Co-ordinator(s) will agree what records they need to keep of the group's transactions in order 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.
- Group Co-ordinator(s) will normally maintain any cash balance that is required for the operating of the group (e.g., collected money for an event, payment for the event, cash float); where the Group Co-ordinator is uncomfortable doing this then the balance can be held by the Treasurer subject to this being agreed by the Treasurer.

3.1. Social activities

- 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.
- 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.
- When members sign-up and pay for organised events (e.g., theatre trips, visits to a place of interest) then such payments will normally 'non-refundable' which should be made clear to the members before they sign-up / pay. The exception to this may be if the organiser is able to find somebody to take the place of the member who is no longer able to attend.

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. West Leicestershire 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.

5. 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 trustee, no trustee should authorise their own claim. Expenses can include – with committee prior approval – attendance at the Trust's AGM and Conference or national/regional workshops.
- All claims need to contain 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.

6. Membership Fees and membership of more than one u3a

- The membership fee is reviewed on an annual basis. West Leicestershire 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, West Leicestershire u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

7. Asset register

- An asset register is maintained by the Treasurer (or by another member of the Committee who has been approved by the Committee to perform these duties) 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.

8. Reserves

- West Leicestershire u3a aims to keep a level of reserves that will cover 12 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.

9. Accounts and Budget

- The West Leicestershire u3a financial year runs from 1st April to 31st March each year.
- The Treasurer will prepare a budget for the coming financial year before the start of the next year for review and approval by the committee. Such approval to be minuted.
- The annual accounts will be prepared by the Treasurer for review by the committee prior to being presented for approval at the AGM. Once approved they will be filed as part of the annual submission to the Charity Commissioner by the Chairman.

- The annual accounts will be subject to independent examination by a suitably qualified person. This will be done prior to presentation of the annual accounts to the AGM.
- The Treasurer will report on the Financial status at each Committee meeting including providing a bank statement showing transactions since the last meeting.

10. Policy Reviews

- This policy was adopted by the U3A Committee on 6th April 2021. The next policy review will be 2 years from the date of adoption.