

Workshop and District u3a Finance Policy

Policy prepared by or based upon	u3a Template 23/3/22 Amended by Roger Hancocks
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1 Purpose

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls this is achieved through this Financial Policy.

2 Trustees’ financial responsibilities

The trustees of Workshop and District 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.

3 Banking

3.1 Bank accounts

- All bank accounts are in the name of Worksop and District 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 4 authorised signatories are the Treasurer and 3 others taken from the Chair, Vice-Chair, Secretaries and the other Trustees. This responsibility cannot be delegated.
- All cheques must be signed by two signatories.
- 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.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.
- Whenever practical two people should be involved in counting cash receipts.

3.2 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 Barclays Bank and in accordance with the mandated approval limits.

3.3 PayPal Account

Worksop & District U3A operates a PayPal account for receiving membership subscriptions paid online through the Worksop & District u3a web site. The PayPal account is linked to the main bank account and is maintained by the Treasurer. PayPal account fees are deducted automatically at a fixed rate from each subscription paid. The Treasurer will transfer the subscription income to the main bank account when authorised by the committee. The Treasurer will not make payments from the PayPal account.

3.4 Payment by bank cards

Worksop and District u3a currently does not operate any debit or credit cards.

3.5 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 Worksop and District 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 Worksop and District u3a.

4 Groups' finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members and leadership deem to be necessary to undertake their activities. This is normally through group subscriptions.

Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership, and can withdraw money from funds accrued by the group, and held by the U3A, on request.

Group Leaders and their treasurer should monitor their income and expenditure to ensure that the balance accrued does not become excessive. It is recommended that any excess is redistributed back to the membership by waiving group subscription for a period. Where necessary the Treasurer will provide advice.

Performing groups may charge or receive donations for their performance to generate income to fund legitimate group expenses, but this must be carefully controlled so no profit or surplus is generated.

It must be remembered all funds generated by the groups by whatever means belong to the u3a.

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.

4.1 Records

Group Leaders and their treasurers need to keep a record 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.
- Allow group leaders to maintain cash floats.

As a minimum Group Leaders or their treasurer must maintain a record:

- Of all money received
- All payments made from the cash float, with their receipts.
- Any money banked with the treasurer
- Of the running total of their cash float

This may be done the paper ledger, simple spreadsheet, or by using the ledger facility on the Beacon Membership system. Record should be available on request to the Treasurer and the Group's membership.

4.2 Receipts

To manage the handover of cash and cheques paid into the Worksop and District u3a bank account the committee has decided that:

- Group Leaders must arrange for regular deposit of monies received.
- When a group holds in excess of £50, the excess must be deposited within one month.
- Group Leaders are encouraged to maintain as small a cash float as practical for their purpose and never more than £50.
- When making a deposit the Group Leader must inform the treasurer of the amount deposited for their group, and the remaining cash float they hold. Failure to do so may mean receipts are not properly allocated to the group.
- Bank paying in slips will be given to group leaders, on request, for this purpose. Alternatively, deposits may be given directly to the Treasurer.
- The Treasurer will acknowledge all deposits by group leaders

4.3 Payments

4.3.1 Payments via the Cash Float

Unless previously agreed with the Treasurer the cash float is intended to enable Group Leaders to make small cash payments to run their groups, such as to purchase refreshments and low value consumables. It is not expected that such payments would individually exceed £20. Members are expected to provide receipts for such expenditure.

All other expenditure should be made through the Treasurer on presentation of an invoice or receipt.

4.3.2 Non Float Payments

The following are always paid directly by the u3a:

- Hall or venue hire fees
- Speakers
- Coaches, except in the case of commercially organised excursions
- Equipment

Outside speakers should be asked to state their fees and any travel costs at the time of booking. The Treasurer will provide a cheque or arrange a bank transfer.

Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

4.4 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.

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.

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.

Any excess money collected must be deposited by the organiser with the Treasurer. This excess may then be used to facilitate future events by the group.

4.5 Payments to other charities

In line with charity law, a u3a (including its interests groups) cannot raise funds or make donations for another charity that does not have similar charitable objectives. Any donations to another charity will require the approval of the committee

The u3a can make donations to another charity in payment for a service such as a guest speaker or for room hire. In such cases the representative will provide a receipt for the donation specifying the service provided. Alternatively in the case of a speaker the u3a will make a payment to the speakers who may donate their fee to their chosen 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 the executive committee 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 executive committee.

6 Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Worksop and District 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, Worksop and District 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 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

Worksop and District 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.