

WYMONDHAM U3A FINANCE – RULES, CONTROLS, PROCEDURES & POLICIES

RULES & CONTROLS

Management of Wymondham U3A [WymU3A] finances is regulated by:

- a) The Wymondham U3A Constitution
- b) The Charity Commission [CC] financial regulations
- c) HM Revenue & Customs – statute and regulations (re Gift Aid)

Under the provisions of the Constitution of WymU3A all income must be paid in to accounts in the name of WymU3A. The accounts must have 4 authorised signatories drawn from the Executive Committee “Exco”. All payments from the account(s) must be authorised by at least 2 of those authorised signatories.

Exco members are Trustees of the U3A and are not entitled to receive benefits from their role as Trustees. However payments may be made to any Exco member in respect of reasonable and proper out of pocket expenditure incurred in the discharge of their duties.

The financial year end of WymU3A is decided by the Exco and is currently 31st December.

All funds raised must be applied for charitable purposes in accordance with WymU3A’s objects clause, subject to any restricted funds being applied to the relevant restricted purposes – (there are currently no such restricted funds).

Annual Accounts for the preceding financial year must be presented to each WymU3A AGM, supported by an appropriate certification by either an elected Independent Examiner or qualified Auditor as required by Charity Law.

CHARITY COMMISSION REGULATIONS

The regulations as currently set out in “Charity Reporting & Accounting: The Essentials November 2016 (cc15d)” the following:

- As an Unincorporated Registered Charity a copy of the Annual Report & Accounts must be submitted within 10 months of our financial year end.
- the type of financial accounts that must be prepared, whether the accounts need an independent examination or formal audit, the level of information to be contained within the annual report and what other information must be sent to the CC is determined by the annual turnover of the organisation.
- With effect from 1 January 2019 details of **all income** received by WymU3A, including subscriptions, gross income from trips and holidays and other activities must be accounted for to the CC.
- As an unincorporated charity with gross income of less than £250k we will adopt the simple “Receipts & Payments” format of accounts, as permitted by the regulations, together with a statement of our assets & liabilities at the financial year end.

- An independent examiner in respect of the accounts will be appointed in accordance with the CC guidance.
- Accounting records must be retained for not less than 6 years. They must be made available to the public on request. A charge may be made to cover our costs. The Annual Report must also be made available to the public on request.
- That we should report our policy on reserves, stating the level of reserves held and why they are held. Where funds have been designated for specific purposes, the reserves policy statement should quantify and explain the purpose of these designations, and where set aside for future expenditure, the likely timing of the expenditure. Where no reserves policy a statement must be made to that effect.

HM REVENUE AND CUSTOMS

- Where applicable all financial matters will be carried out in accordance with the regulations of HMRC. The principal effect for the U3A is likely to concern Gift Aid.
- Currently WymU3A does not seek to recover gift aid on subscriptions and donations. This matter will be kept under review to determine the cost/benefit of so doing.

PAYMENTS AND BANKING

- Payments are received in respect of membership subscriptions, holidays trips and other events.
- Payments may be made in cash, by cheque or through online banking. Payments cannot currently be made by credit or debit cards. Every effort should be made where possible to minimise the use of cash to reduce workload and risk.
- Payment for goods and services received are generally made by cheque carrying the requisite 2 authorised signatures.
- National advice counsels against the use of personal credit cards. This can create difficulties where cheques are not accepted. This problem can sometimes be avoided by making advance arrangements. The committee will monitor and propose from time to time alternative procedures enabling the avoidance of the use of personal credit cards.
- WymU3A operates online banking enabling authorised users to view bank statements as often as necessary to facilitate the management of the U3A, in particular the subscription renewal process.
- Online access also allows any nominated user to originate payments from our accounts on their sole authority. As a matter of policy the committee has determined that the only nominated person for this purpose shall be the Treasurer. In order to comply with the overriding requirement that all payments should be

authorised by 2 authorised signatories, any such payment should first of all be supported by either written or email agreement by a second authorised signatory

GROUP FUNDING AND FINANCE

- Generally all groups should be self-funding save that subject to prior application to, and agreement by, Exco a sum of up to £100 may be provided from WymU3A reserves in order to purchase equipment or cover other essential up front cost [equipment, hall hire etc] needed for the establishment of a new group.
- Exco will also consider temporary assistance in excess of £100 on the understanding that any such additional sum is recovered and repaid to the Treasurer in a reasonable timescale through group member contributions.
- All equipment acquired by groups will be the property of WymU3A and any funds generated from a future sale of such equipment must be returned to the ongoing group, or the Treasurer should the group cease to exist.
- Where groups collect money in and out on a simple basis eg for entry to museum, daily travel meals and similar activities where it is more convenient for the leader to collect the money and pay it over with no carry-over of funds these need not be accounted for through the U3A systems. This includes payments made to hosts of home groups to cover the cost of refreshments.
- Where groups have more complex financial arrangements including groups that carry over funds to finance future meetings or are in the process of paying back start-up funds they should formally account for these funds through the financial systems of the U3A

BUDGETING

The Treasurer will produce an annual budget of operating costs for the coming financial year, which will be submitted to Exco for consideration and approval at the final committee meeting of the calendar year.

This budget document will be populated with comparative year to date figures at committee meetings throughout the year, with any significant variations against expectations being explained.

GENERAL POLICIES

Reserves

- Reserves are necessary to ensure continuity in the event of a sudden drop in income, to cope with unplanned expenditure and identified future capital expenditure,

maintain cash flow and cater for start-up costs of new groups and ventures.

- The level of reserves should be determined annually by Exco and recorded in the minutes. This should include a clear statement of the reasons for increasing/decreasing the level of the reserve.
- Any reserves accumulated in excess of the afore-going should be discussed by Exco to determine their best use in support of WymU3A's charitable objectives.

Events, Trips and Holiday Pricing

- All events, trips and holidays should be subject to approved budgeting processes to cover travel, accommodation and excursions. Any surplus in pricing should be a reasonable percentage of the total cost. The level of any surpluses in the "social account" shall be reviewed annually by the committee. Any surplus should be used for the benefit of those on a particular trip/holiday. In the case of events where budgeting and costing is "volatile" reasonable surpluses may be used to fund future events.
- This section is subject to the general polices outlined in this document.
- An overriding principle is that costs of events, trips and holidays should be seen as fair and reasonable to avoid any impression of "unfair" subsidising.
- In booking any trips holidays or events it shall generally be made clear that once committed no refunds can be given other than those set out in the terms and conditions relating to that particular excursion. In the case of holidays the necessity of having personal holiday insurance should be clearly stated. Any refunds outside these parameters shall be at the discretion of the committee.

Asset Depreciation Policy

In the past, all assets purchased have been fully depreciated in their year of acquisition and given the relatively low value of likely needs this policy will continue to be adopted. However, an asset register recording all assets held together with their location and original cost (where known) will be maintained by the Treasurer.

In the event that a significant asset, for example a vehicle, is acquired, then it would be appropriate to depreciate the asset over a suitable length of time and our financial accounts would need to reflect this.