

Pershore and District u3a Financial Policy

1. Document control

1.1. Approval

Date approved	09/05/2022
Approved by	The Committee (See Committee Meeting minutes: 09/05/2022)

1.2. Version history

Version	Date	Author	Change summary
1	26/11/2020	Jackie Jolley	0
2	09/05/2022	Ian Smith	Clarification of reserves criteria

2. Introduction

2.1. Purpose

All charities are required to determine their "Internal Controls" for running the charity, one of these being the Financial Controls, or Financial Policy.

This Financial Policy document is based on the Financial Policy Template Ref: U3A-KMS-POL-003, dated 22/05/19, produced by the Third Age Trust.

Where applicable "Trustees" means members elected to the Executive Committee (referred to herein as "the committee").

3. Trustees' financial responsibilities

The Trustees of Pershore 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.

4. Banking

4.1. Bank accounts

- All bank accounts are in the name of UNIVERSITY OF THE THIRD AGE PERSHORE 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 must be Trustees. This responsibility cannot be delegated.
- All cheques must be signed by two Trustees, one of whom is a principal officer (Chair, Vice Chairs, Business Secretary and Treasurer). 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.
- 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.
- Whenever practical two people should be involved in counting cash receipts.

4.2. 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 the bank and in accordance with the mandated approval limits.

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 and in accordance with the bank mandate. At least one other Trustee must have access to the online banking service at any time and online transactions will be subject to review by them. All payments are authorised in accordance with the bank mandate.

Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.

4.3. Payment by bank cards

The committee will approve the issue of any bank debit or credit card in the name of Pershire and District u3a. The use of these cards 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 (e.g. theatre tickets). The committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

Bank debit or credit cards will be held by the Treasurer. All transactions made using these cards appear immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and will be subject to review by the nominated Trustees through the online banking service. All such payments must be supported by an invoice or receipt made out to Pershire and District u3a.

Pershire and District u3a currently holds no business debit/credit cards.

4.4. Personal debit or credit cards

In some circumstances it may be appropriate for a member to themselves purchase items or equipment that will be used by the u3a, and then claim the cost as a personal expense claim. In such cases, a receipt for each item must be given to the Treasurer in order to claim the expense. Such purchases and expense claims should be limited to no more than £150. Any need to exceed this limit should first be discussed with the Treasurer.

5. 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. The funds of these groups belong to the u3a. Funds can be held by an interest group, or passed to the Treasurer in which case they will be ring-fenced for use by the interest group that has collected them. For any single interest group, the total of all cash held locally plus that held as ring-fenced by the u3a should not exceed £150.

The Treasurer, Group Co-ordinator and Group Leader(s) need to agree what records should be kept of each 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.

5.1. Receipts

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

- Bank paying in slips will be given to group leaders for this purpose, if required.
- Where net sums are being paid over, to be held as ring-fenced funds, this needs to be fully demonstrated to the Treasurer. Where applicable, receipts will be given to group leaders, or the amounts will be acknowledged by email.
- Cash held back for cash flow purposes will be within the u3a's approved limit.

5.2. Payments

Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf, as appropriate. The Group Leader can ask the Treasurer to make payments on the group's behalf, using the group's ring-fenced funds, on production of an invoice made out to Persnore and District u3a.

Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account, as long as this is recorded transparently in the group's transactions, and receipts or invoices relating to such payment are kept.

The committee will inform relevant group leaders as to the approved process for payments relating to:

- When a trip is organised by and paid through the u3a or paid directly by the members to the trip organiser.
- When payments may be deducted from activity revenue for venues, coaches, tutors, speakers, etc.
- When payment for venues, coaches, tutors, speakers etc. must be paid by the u3a.

Outside speakers should be asked to state their fees and any travel costs at the time of booking.

The current policy of Pershore and District u3a is to disallow the use paid tutors. If a Group wishes to use a paid tutor, approval must first be sought from the committee. Where the committee has agreed this, the paid tutor must provide evidence of their self-employed status and invoice the u3a as agreed.

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.

5.3. 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.

5.4. Payments to other charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Pershore and District 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.

6. Expenses policy

Out of pocket expenses incurred by the volunteers who are involved with running the u3a will be reimbursed. Expense claims will be authorised by the Treasurer or by the committee. No committee member should authorise his or her own claim. All claims need to give sufficient detail as to the nature of the expense and must be submitted with receipts.

Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

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.

7. Membership Fees and membership of more than one u3a

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

8. Asset register

An asset register will be maintained by the Treasurer to record all assets held including their initial purchase price, date of purchase, estimated nominal value and location. The register will be reviewed annually.

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.

9. Reserves

Pershore and District u3a aims to keep a level of reserves that will enable it to cover all future expenses until the next membership renewal date plus a cushion of two months of regular, excluding National costs, expenses. The committee considers this 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.