

Looe & District u3a Financial Policy

Category: Finance

1 Purpose

To set down rules and guidance for both Trustees and members in order to safeguard the assets of **Looe & District u3a (L&D u3a)** and its groups.

2 Trustees' financial responsibilities

The trustees of Looe & District u3a are responsible for:

- Safeguarding the assets of the organisation/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 L & D 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 at monthly meetings and on the website.

The policy will be reviewed annually and/or revised as necessary.

3 Banking

3.1 Bank accounts

- The main bank account (Community Account) is in the name of Looe & District u3a. The Social Account is in the name of u3a Looe Social Group. Both accounts are 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 Chair, Vice Chair, Events Co-ordinator and Treasurer. 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 a payment or 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.
- All financial receipts must be kept for a minimum of 6 years.
- All the bank accounts and petty cash are to be reconciled monthly.

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 and in accordance with the mandated approval limits.

3.3 Payment by bank cards

Operation of the online banking service is under the control of the Treasurer who has full access rights plus those Trustees approved by the Committee. The Treasurer is responsible for assigning the appropriate delegate rights, as agreed by the committee and in accordance with the bank mandate.

All payments can only be authorised in accordance with the bank mandate and with reference to the agreed limits set (see [Section 3.4](#)). Access to the online accounts 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.

The issue of any bank debit card in the name of L & D u3a will be approved by the committee. 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 will be per transaction. (see [Section 3.4](#))

L & D u3a holds 5 business debit cards (2 for the Main Community Account and 3 for the Social Account). These are held by the Treasurer, Chair and Events Co-ordinator (Social Account only). All transactions made using these cards appear immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers through the online banking service. All

such payments must be supported by an invoice or receipt with a corresponding bank debit number, where appropriate.

3.4 Agreed payment limits

- Less than £30 Treasurer, Chair and/or Events Co-ordinator can pay without checking.
- More than £30 but less than £100 agreement must be by all **3** card holders.
- More than £100 agreement to be sought from whole committee, except when paying out from the Social Account (i.e. Payments for Group ticket sales, coach hire etc which should be confirmed by any two of the 3 card holders)

All payment receipts by Committee or Group Leaders need to be emailed/passed on to the Treasurer.

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 L & D 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.
- With purchases, 3 quotes should be sought to provide the best comparison/option.
- All invoices must be issued in the name of Looe & District u3a.
- All cheques must be made payable to Looe & District u3a or in the case of the Social Account – u3a Looe Social Group.

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. The funds of these groups belong to the u3a. Groups are permitted to make any expenditure deemed necessary by the group members. The Treasurer and Group Leader(s) need to agree what records they need to keep of the groups' 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.

4.1 Financial Guidance for Interest Groups

- Groups should set their own subscriptions to cover their own regular costs. They will need to estimate their costs, membership numbers and set their subscription levels accordingly.
- Groups which meet in members' houses, where the only expenditure is on refreshments, should agree a suitable donation between themselves. This does not have to be recorded or audited.
- Groups which hire a venue should keep simple records and submit invoices and, where appropriate, simple accounts to the Treasurer at year end (i.e. 31st December). These records should be made available to group members.
- Group monies should not comingle with members' personal monies e.g. should not be held in a member's private bank account.

5 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.

6 Payments to other charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. L & D 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.

7 Expenses

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 to 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.

8 Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. L & D u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. In the case of exceptional circumstances or financial hardship, the Executive Committee will be open to consideration of adjustment or waiving of membership fees, providing this is above the annual capitation fee.

For u3a members who can evidence membership of another u3a L & D u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

9 Asset register

An asset register is maintained by the Treasurer which records all assets held including, where possible, their initial purchase price, date of purchase, estimated nominal value and location.

Any assets purchased by an Interest Group belong to the u3a and must be returned to the u3a if the group ceases to exist.

It should be noted that under a receipts and payments reporting system, all assets under £100 are fully written off against receipts in the year of purchase. Assets over £100 are written off over 4 years at 25% of the original price. The register is reviewed annually.

10 Reserves

L & D u3a aims to keep a level of reserves that will cover 6 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.

Policy adopted on: 5th April 2024

Proposed: Angela Cadman **Seconded:** Jenny Barker

Signed:

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