

## Financial Policy

### 1. Trustees' financial responsibilities

The trustees of Charnwood u3a (Cu3a) 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 Charnwood 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.
- Cu3a will authorise a minimum of three signatories. The authorised signatories may be the Chair, Vice Chair, Secretary and Treasurer and/ or other Trustees. This responsibility cannot be delegated.

- All payments must be authorised by two signatories. The only exception is where payment is made by corporate charge card. See 2.3.
- The signatories are responsible for examining transactions for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to authorising payment.
- All bank statements must be sent to the Treasurer directly.

## **2.2 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 Unity Trust Bank and in accordance with the mandated approval limits.

## **2.3 Payment by bank cards**

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. All payments are authorised in accordance with the bank mandate. The issue of any bank debit or credit card in the name of Charnwood 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 Treasurer will predetermine the spending limits for any card. 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.

## **2.4 Personal debit or credit cards**

The use of personal debit or credit cards for interest group activities needs to be closely managed.

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Cu3a 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.

## **3 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 members, including those funds managed via the central Cu3a system. 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 ringfenced funds held by the u3a on their behalf, as appropriate. All groups must maintain accurate records of their financial 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.

The Treasurer will monitor those group funds deposited with Cu3a. 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.

The Treasurer will issue a return for all group leaders to complete on an annual basis.

### **3.1 Receipts**

To manage the handover of cheques to be paid into the Charnwood u3a bank account the committee has decided that:

- Bank paying in slips will be given to group leaders for this purpose.
- Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account.
- Cash may be held back for cash flow purposes. (The amount will vary by activity).
- Any funds deposited into the Cu3a account must be accompanied by an email to the Treasurer, detailing the group, the amount and the number of cheques.

### **3.2 Payments**

The committee will inform relevant group leaders as to the approved process for payments. Full details will be given in the Group Management Handbook.

Charnwood u3a cannot pay a fee to speakers who are members of a u3a or make a donation to a nominated charity on behalf of a speaker who is a member of a u3a. However, it is allowable to pay pre-agreed reasonable expenses to u3a members.

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

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.

### **3.3 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.

### **3.4 Payments to other charities**

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Cu3a will make payments to speakers who are not u3a members who have indicated that they intend to donate their fee to a specific charity but not direct to their nominated charity.

## **4 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. No committee member may authorise their own claim.

All claims should be made in writing 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 committee.

## **5 Membership Fees and membership of more than one u3a**

The membership fee is reviewed on an annual basis. Cu3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Cu3a offers a system whereby the membership fee can be adjusted for those who can provide proof of benefits received.

Members of another u3a are able to join Cu3a for a reduced fee as Associate Members.

## **6 Asset register**

An asset register, overseen by the committee, will record all assets held including their initial purchase price, date of purchase and location.

The register will be reviewed annually.

## **7 Reserves**

Cu3a aims to keep a level of reserves that will cover 9 months of regular operating activity.

Date of approval.....August 9<sup>th</sup> 2023.....

