Southwell & District u3a

Financial Policy

Registered Charity Number 1132337

# 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 document explains the financial controls and responsibilities within Southwell & District u3a (hereafter called Southwell u3a or u3a) and how Southwell u3a operate the financial arrangements for interest groups and trips and social events.

Southwell u3a is registered with the Charity Commission. Charity No 1132337

The charity’s object is the advancement of education, and in particular, the education of older people and those retired from full-time work, by all means including associated activities conducive to learning and personal development in Southwell and the surrounding district. Our subscriptions, Gift Aid income and all other monies collected from members can only be spent on activities that accord with the charitable objectives

# 2 Scope

The financial policy will specify how money is collected and recorded and who is responsible within Southwell u3a for the finances and compliance with regulatory authorities. This is to ensure we retain our charity status and are able to claim Gift Aid on the whole of our membership.

# 3 Trustees’ financial responsibilities

The trustees of Southwell 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).
* Preparing Annual Accounts in accordance with the governing document and relevant legislation.
* Having accounts audited annually by an approved auditor.
* Ensuring 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 Southwell u3a and all the interest groups and sub-groups. The financial procedures detailed below will be followed to enable the trustees to carry out these responsibilities.

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 Southwell u3a and operated by the trustees.
* New accounts may only be opened on the trustees’ decision, which must be recorded in the management committee minutes.
* Changes to the bank mandate may only be made by a decision of the trustees, which must be recorded in the management committee minutes.
* The authorised signatories are the Chairman, Vice Chairman, Secretary and Treasurer and/ or 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 online payments will be authorised by two officers.
* 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 will be involved in counting cash receipts.

**4.2 Bank account structure**

Southwell u3a has three bank accounts: -

* The general account receives membership dues and Gift Aid payments. These funds are used for the general running of Southwell u3a and can be applied for any of the purposes of our charity.
* The groups account provides a banking service for the various interest groups that are part of Southwell u3a. These funds can only be used by the groups concerned for their purpose.
* The social account provides a banking service for trips and visits and social events that are arranged through the trips and social committee. These funds can only be used for the events concerned.

## ****4.3 Online banking for payments****

Where online banking is in place only treasurers approved by the management committee will have access to this facility. The security of the online system is in line with the arrangements offered by NatWest and in accordance with the mandated approval limits.

Payments via online banking require two authorisations by the Chair, Vice-Chair or Treasurer.

## 4.4 Payment by bank cards

There are no bank cards held on any of the bank accounts managed by Southwell u3a.

## ****4.5 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 management committee where a group feels that there is no other viable way to make payments. (See Guidance for Group Leaders Financial Transactions)

# 5 Groups’ finances (See Guidance for Group Leaders on Group Financial Transactions)

Interest groups are expected to be self–financing and can collect such sums of money as the group members and leaders 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 and the group leader and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Groups Treasurer, Groups Co-ordinator and Group Leader(s) need to agree on what records the interest group is required to keep. This is necessary, as follows:

* 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/Groups Treasurer and Groups Co-Ordinator may agree that transaction records are not required. This will only apply if there is a small amount of cash collected that is paid out immediately and not held by the group leader.

## 5.1 Receipts

To manage the handover of cash and cheques to be paid into the Groups Bank Account the management committee has decided that:

* Bank paying in slips will not be given to group leaders for this purpose.
* A deposit form, form dd will be completed and the bottom part forwarded to the Groups Treasurer with the appropriate funds.
* Group leaders may pay sums in advance for activities by issuing their own cheques or paying online through their own bank account and informing the Groups Treasurer. (Reimbursement from group members can be cash or cheques however any cheque must be made out to Southwell u3a and sent to the Groups Treasurer for reimbursement).
* Cash held back for cash flow purposes will be within u3a’s approved limits (they will vary by activity).
* Balance Sheet form ee needs to record all income received and payments made.

## ****5.2 Payments****

The Groups Treasurer will make group payments from the Groups Bank Account.

The Treasurer will inform relevant group leaders as to the approved process for payments.

Invoices should be in the name of Southwell u3a and passed to the Groups Treasurer for payment.

All payment of invoices needs to be authorised by two persons the Treasurer, Groups Treasurer and Group Leader or Interest Group Treasurer

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

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

Interest groups may purchase equipment providing there is sufficient funds in their account. This equipment is the property of Southwell & District u3a.

In special circumstances an interest group may apply to the management committee for funding for specialist equipment.

The management 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/Groups Treasurer. If groups do not comply, the management committee will review whether the group is legitimately operating in line with the insurance and financial requirements.

## 5.3 Social activities (Guidance for trips and 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 attending 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.

Any surplus funds should be returned to those attending the event However, when this is not possible or practical the funds should be retained in the social fund until the end of the financial year and if not used for the benefit of members passed to the general account.

## 5.4 Payments to other charities

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

# 6 Expenses policy

Out-of-pocket expenses incurred by the volunteers who are involved with running the Southwell u3a will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the Treasurer, Chair or Vice Chair of the management committee and no management committee member will authorise their own claim. Two authorisations are required.

All claims need to be made on the appropriate form (form gg, copies available on the Website or from the Treasurer) giving sufficient detail as to the nature of the expense and providing receipts.

Group travel expenses and associated costs should be paid by the interest group members unless there are exceptional circumstances when an application can be made to the Southwell u3a management committee. Southwell u3a policy on car sharing can be found on the website under “Our Policies”

Travel expenses on other official u3a business must be approved by the management committee prior to arrangements being made. 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 fines or other fines will not be reimbursed.

Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the management committee.

# 7 Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Southwell u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Southwell u3a offers a system whereby the membership fee can be adjusted for those for whom the management committee feels assistance is required.

Associate Membership is available for u3a members who can evidence membership of another u3a. Southwell u3a will reduce the cost of membership for Associate Members by the amount that is paid to the Third Age Trust for affiliation fees for each member.

# 8 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.

# 9 Reserves

Southwell u3a aims to keep a minimum balance in its general account that will cover 3 (three) months of regular operating activity. The management committee considers this a reasonable level for this type of charity for the following reasons: -

* A possibility of an unexpected capital expenditure
* An unknown high increase in supplier charges.
* Income that comes vastly from membership may unexpectedly fall and this would give trustees time to take action.

**10 Retention of Financial Documents**

All financial documents will be retained for a period of six years plus the current year.

# Related Documentation

Guidance for Group Leaders on Group Financial Transactions

Guidance for Social Activities and Events.

Southwell u3a Constitution

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