



THE UNIVERSITY OF THE THIRD AGE

Southwell U3A

Guidance for Group Leaders on Group Expenditure

These guidance notes apply to groups that collect money from members and use it to facilitate an activity e.g. groups that visit theatres, cinemas etc, or hire venues and/or pay fees to speakers or tutors.

Groups that hold their meetings in member's homes and levy a small charge for refreshments do not need to follow these procedures. If, however, they have traditionally kept a record of these transactions, they may wish to continue to do so.

PLEASE NOTE: this guidance must be adhered to because

- It is a legal requirement
- It helps to protect both group leaders and the members of their group
- It helps the Treasurer to complete the financial statements at the year's end.

PLEASE:

- Use the groups account **only** for all group activity
- Use the standard forms that have been produced to help you keep track of money. These consist of a Group Register (**form ff**), a Bank Deposit form (**form dd**), a Balance Sheet (**form ee**), an Expenses Claim form (**form gg**) and a Coach Driver's Tip form (**form kk**). These are available on the web site – www.southwellu3a.co.uk or by contacting the Treasurer.

Income

1. Group leaders should ensure that they collect sufficient money from group members to cover the expenditures they are planning to incur. It is not acceptable for groups to incur deficits.
2. It is recommended that all payments to the U3A are made by cheque, as this is clear evidence that payment has been made. If a group accepts payments in cash, detailed records using **form ff** must be kept as evidence of payment.
3. Where payments in cash are accepted, it is acceptable for the group leader to retain the cash and write a cheque on their personal bank account to the U3A for the sum retained – and to endorse their records that they have done so. This may be desirable if cheques collected from some group members are being posted to the Groups Treasurer.
4. Alternatively, if **all** the contributions from members are in cash, the group leader may retain the cash and make an online payment to the groups bank account. But the group

leader must contact the Groups Treasurer, preferably by email at treasurer2su3a@gmail.co.uk to advise the date and amount of payment.

5. This relaxation to the process for handling cash does not apply to cheques; these **must** always be made payable to U3A and banked in the groups account. Cheques must not be made payable to group leaders and be paid into their personal account.
6. Whenever money is collected from a group, this should be recorded against each person's name on a group register (**form ff**). The group leader may choose to give members a receipt (simple carbon backed receipt book will suffice) but this is not essential.
7. The total received should be entered on the group's Balance Sheet (**form ee**) and where appropriate, the monies passed to the Groups Treasurer for banking using the Bank Deposit form (**form dd**).
8. Group leaders must not retain large sums in cash (the limit of our insurance is £300) and in any event, it is preferable to bank large sums should the money need to be held for any length of time. Ideally, no more than £50 should be held in cash at any one time.

Expenditure

9. Preferably, all groups should use the groups banking facility, with money being collected and banked in advance of payments being made. Nevertheless, it is recognised that situations may arise where a payment needs to be made at short notice, in which case money should be collected and banked as soon as possible thereafter.
10. The Groups Treasurer will make payments as required on request. Payments may be made by online banking, by debit card or by cheque. The group leader should contact the Groups Treasurer, preferably by email at treasurer2su3a@gmail.co.uk, in good time and provide details of the payment required. A receipt, invoice, booking confirmation or other evidence must be given to the Groups Treasurer for every payment made. The payment should be recorded on the group's Balance Sheet (**form ee**).
11. Ideally, all group payments should be made through the U3A groups bank account. Where, exceptionally, a supplier will not accept this or a payment has to be made urgently, a group leader may use their own credit card or debit card to make a payment and claim reimbursement from the U3A. **However**, before doing so, the group leader **must** send an email to the Groups Treasurer to let him know what is to happen and to be sure the group has sufficient funds, or will have sufficient funds once money has been collected and deposited, to cover the claim for reimbursement.
12. Where a group leader uses their own credit or debit card,
 - a receipt, invoice, booking confirmation or other evidence must be provided with the claim for reimbursement (using **form gg**),
 - **all** monies collected from group members must be banked with the Groups Treasurer; the group leader should not retain any cash received and reduce their claim for reimbursement accordingly, and
 - the transaction must be recorded on the group's Balance Sheet (**form ee**).

A claim for reimbursement must not result in the group incurring a deficit.

13. Notwithstanding the above, it is recognised that it is not necessary nor appropriate for every single transaction to go through the groups bank account, and it is acceptable for group leaders to make small payments by cash where appropriate. A receipt or other evidence of payment **must** always be obtained and the transaction must be recorded on the group's Balance Sheet (**form ee**). Receipts etc for cash payments must be passed to the Treasurer with the Balance Sheet at the year end.
14. Where a venue needs to be hired, the group leader may make the arrangements. Ideally, the group leader should make arrangements with the venue for an invoice to be sent to the Groups Treasurer, who will arrange for payment to be made. However, if it is convenient and straightforward, the group leader may pay the provider of the venue direct using the cash collected at each meeting. A receipt **must** be obtained and the transaction recorded on the group's Balance Sheet (**form ee**).
15. Receipts or invoices should be obtained for all transactions. Where payments have been made through the Groups bank account, the receipt etc must be passed to the Groups Treasurer at the time, or shortly after, a payment has been requested/made. Where payments have been made in cash, the group leader must retain the receipts etc and pass them to the Treasurer with the group's Balance Sheet (**form ee**) at the year end.

Accounting for group finances

16. The group leader is responsible for the group's finances and needs to be able to account to both the group members and the Treasurer (on behalf of the trustees/committee) for the way the money has been spent. The groups Balance Sheet (**form ee**) should be used for this purpose. All monies received from members and all expenditure incurred must be entered, whether in cash, by cheque or other means of payment. The balance sheet provides for a running balance of money held as cash and at the bank. A copy must be sent to the Treasurer at the end of the financial year (31st March), with a copy being kept by the group leader for their records.

Forms available

Form dd	Bank Deposit form
Form ee	Groups Balance Sheet (available in both Excel and PDF format)
Form ff	Group Register (to record money paid by group members)
Form gg	Expenses claim form (to claim reimbursement when using own credit or debit card)
Form kk	Coach Driver's Tip form

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