

HYTHE AND DIBDEN U3A FINANCE POLICY

Scope of the policy

Each u3a is required to set down its financial policies and procedures. This document defines the processes that Hythe and Dibden u3a (the 'u3a') will use for its financial matters. The policy will be kept under review (at least every 2 years) and revised as necessary.

This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Trustees of the u3a will manage all the organisation's financial affairs. The Trustees are accountable to the membership for any non-compliance with this policy.

Trustees' Financial Responsibilities

The Trustees of the u3a are financially accountable for:

- Safeguarding the assets of the charity.
- Identifying and managing the financial risk of loss, waste, theft or fraud.
- Ensuring the financial reporting is robust and of sufficient quality.
- Keeping financial records in accordance with the Constitution and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Ensuring Annual Accounts are prepared in accordance with the Constitution and relevant legislation and reflect a clear view of the u3a's financial affairs.

To enable the Trustees to carry out these responsibilities, the financial procedures below will be followed.

The Treasurer's Role

The Treasurer's role for the u3a includes:

- Maintaining the financial records in accordance with the u3a's published financial policies.
- Maintaining the financial records in accordance with the applicable charity law and statute.
- Managing the bank accounts in accordance with the financial policies.
- Preparation of accounts and budgets.
- Preparation of the annual accounts for the AGM, publication and filing.
- Ensuring that an Asset Register is maintained.

Bank Accounts

- All bank accounts (including Group bank accounts, where applicable) will be in the name of Hythe and Dibden u3a and operated by the Trustees.
- All accounts will have a minimum of three authorised signatories. The authorised signatories shall be the Chair, Secretary and Treasurer. A fourth committee member may be approved as a signatory by a decision of the committee, which must be minuted.
- 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.
- All payments must be approved by at least two signatories (one normally being the Treasurer).
- The signatories are responsible for examining payment requests for accuracy and completeness and for examining supporting documentation (purchase invoice etc.) prior to approval, either by the signing of the cheque or authorising an internet transfer.
- All bank statements must be available for the Treasurer.
- 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.

Online Banking

Where online operation of the bank accounts is in place only Trustees approved by the committee will have access to this facility (as above, at least three). The security of the online system will be in line with the arrangements offered by the Bank providing the accounts and in accordance with the mandated approval limits.

Operation of the online banking service is under the control of the Treasurer who must have 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 must be authorised in accordance with the bank mandate.

Use of Bank Cards

The Treasurer and one other authorised signatory will hold a bank debit card in the name of the u3a to enable the deposit of cash received, and the issue of these cards will be approved by the committee. The use of these cards for payments overrides the dual control aspect of the payment authorisation process, and so is only permitted where agreed in advance by the committee and where an online purchase is more cost effective or the only method of completing a purchase

All payments must be supported by an order confirmation, invoice or receipt.

Group Finances

While this section is entitled Group Finances the following policies will apply to activities that are organised for the u3a's wider membership, for example outings or speakers. The term Group Leader includes all members organising activities for members.

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, the committee will review whether the group is legitimately operating in line with the insurance and financial requirements.

Group Finance Records and Reporting

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 and the group leadership and can withdraw money on request from the ringfenced funds held by the u3a on their behalf, as appropriate.

The Treasurer, Group Co-ordinator and relevant Group Leader/s will agree what records they need to keep of the groups' transactions to meet the following requirements:

- To allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the Trustees and to meet regulatory requirements.
- To allow the group members to understand how their monies are being managed.
- To maintain transparency and trust for all concerned.
- To minimise the risk of error and potential loss of funds.
- To allow group leaders to maintain cash floats. Such cash floats should not exceed £200.

Items that may be excluded from Group finance reporting include:

- Any expenditure on light refreshments, lunches or meals out that are paid by a member direct to the supplier.
- Holidays booked directly through a travel agent, tour company or hotel with individual members paying the provider direct. If it is easier, the organiser can collate and post the individual cheques to the provider.

Receipts

- Group leaders will pass all funds to be paid into the u3a bank account to the Treasurer and may not pay such sums by issuing their own cheque or paying online through their own bank account.
- If requested, the Treasurer will either issue a formal receipt or acknowledge receipt of the funds by email.
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer by a receipts and payments statement.

- Cash held back for cash flow purposes will be within the u3a's approved limits (they may vary by activity).

Payments

Prior approval must be given by the committee for equipment and other items to be purchased over the value of £200.

The committee will inform relevant Group Leaders in writing the approval process for payments relating to:

- a trip or event organised by and paid for through the u3a. Trips and holidays involving more than 24 hours must be booked and paid for by members through a registered tour operator, which may be the organising u3a.
- when payments may be deducted from activity revenue.
- when payment for venues, coaches, tutors, speakers etc must be paid by the u3a.

The committee should agree or otherwise to the use of any paid tutors or speakers for Groups. If approved the proposed tutor or speaker must provide evidence of their self-employed status (if applicable), state their fees and any travel costs at the time of booking and invoice appropriately after the activity. Where a paid tutor is hired for activity classes, they need to provide evidence of holding Public Liability Insurance.

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 event participants.

Out-of-pocket expenses can be paid to an organiser out of the money collected for the event on submission of an expense claim and accompanying receipts. As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

Statutory Reporting

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for the u3a is the Charity Commission for England & Wales.

General Reporting

The Treasurer is responsible for maintaining financial records and will submit regular accounts to the committee. Accounts will be kept on a payments and receipts basis.

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data.

Reserves

The u3a aims to keep a level of reserves of £3,000 that will cover approximately 12 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

Payments to Other Charities

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

The u3a can make payments to speakers who have indicated that they intend to donate their fee to a specific charity but must not pay their nominated charity directly.

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 and signed by the claimant and one authorised signatory

All claims need to be made by the agreed procedure giving sufficient detail as to the nature of the expense.

Membership Fees and Membership of More Than One u3a

Membership fees will be reviewed on an annual basis.

The u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

The u3a does not offer a reduced subscription rate for members who are also members of another u3a.

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. The register will be reviewed annually.

Assets will be written off in their first year.

Gift Aid

The u3a does not operate Gift Aid. Any decision to move to Gift Aid must be approved by the committee and minuted.

Card Readers

The u3a may use a card reader to take payments by card at events. This will be configured to pay directly into the u3a's bank account. A receipt must be sent to the payer if requested.

Procurement Process

For any procurement of a large value (£1,000 or more) item there must be a documented competitive tender process in place. This is applicable for any capital item or service. If a service, then the value refers to either a one-off charge or an annual charge.

The committee must agree the tendering process for the particular contract or purchase order, and this must be agreed before the activity is started. If any change is needed to the agreed process whilst in progress, the reasons must be explained to the committee and accepted by them. Prior to the final commitment, the committee must approve the proposed conclusion.

Any commitment below £1,000 can be single sourced but the committee should still approve the award recommendation.

Investments

The u3a has as its prime consideration that it is merely holding money on behalf of its members. While the u3a should seek to obtain the best investment returns available, the security of funds takes precedence over returns on investment.

Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF). These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee.

The COIF is not covered by the FSCS guarantee but has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.

No investments will be made into stocks, shares, gilts, or bonds as the risk level would be too high.

All individual investments must be approved by the committee.

The investments should be reviewed annually by the committee, as part of the fee setting process to take account of changing economic conditions.