Bradford on Avon & District u3a Financial Policy

All charities are required to determine their "Internal Controls" for running the charity, one of these being the Financial Controls, or Financial Policy. This policy incorporates current unwritten procedures of Bradford on Avon and District u3a (the u3a) and is based on the suggested template provided by The Third Age Trust.

Trustees' Financial Responsibilities

The trustees of the 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, appropriate 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.
- Ensuring that the accounts show an accurate record 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, 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.

1 Banking

1.1 Bank accounts

- The bank account is in the name of Bradford on Avon & District u3a, the postal address is of the current Treasurer and it is 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, Secretary and Treasurer and/ or other Trustees agreed by the committee]. 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 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.

1.2 Online banking

1.2.1 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 and minuted by the committee and in accordance with the bank mandate.

1.2.2 The security of the online system is in line with the arrangements offered by the u3a's Bank and in accordance with the mandated approval limits.

1.2.3 Dual authorisation for online payments will be required when a payment of more than one thousand pounds is to be made to a new payee.

1.3 Payment by bank cards

1.3.1 All payments are authorised in accordance with the bank mandate.

1.3.2 The issue of any bank debit or credit card in the name of the u3a must 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. The committee will predetermine the range of goods and services and spending limits for any card: the limit may be per transaction, per day or per month.

1.3.3 Dual authorisation for card payments will be required when a payment of more than five hundred pounds is to be made.

1.4 Personal debit or credit cards

1.4.1 The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission should be sought from the treasurer where a group feels that there is no other viable way to make payments.

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

1.4.3 Invoices should where possible be issued in the name of the u3a.

1.5 PayPal

1.5.1 The u3a is setting up a PayPal Account which will be managed by the Treasurer. In the future payment of members subscriptions using the PayPal Account is the preferred method for membership renewals since it links directly with Beacon which is automatically updated with the net payment and payer detail, and will enable the u3a to claim gift aid.

The PayPal account can also be used to take payments for group and social activities.

1.5.2 Once set up the Treasurer will transfer the balance of the PayPal account into the u3a Bank Account on a monthly or more frequent basis.

1.6 Card Reader

1.6.1 Members subscriptions paid by a debit or credit card using the u3a 'SumUp' card reader are automatically transferred from the 'SumUp' transaction account into the u3a Bank Account after deduction of the transaction fee.

1.6.2 The card reader will be held and operated by trustees authorised by the committee.

1.7 Gift Aid

1.7.1 The u3a is currently in the process of setting up Gift Aid. Once set up Gift Aid will be claimed for eligible members of the u3a by the Treasurer towards the end of the u3a Financial Year. This tax rebate from HMRC is paid by BACS into the u3a bank account.

1.7.2 Claiming Gift Aid requires registering with HMRC, who administer the scheme. This registration may result in the demand from HMRC of a Corporation Tax return. The u3a will conduct it's income and expenditure in such a way as to avoid liability for Corporation Tax.

2 Finances of Groups & Social Activities

2.1 Overview

2.1.1 Interest groups are expected to be self–financing and can collect such sums of money as the group members deem to be necessary to undertake their activities.

- The funds of these groups belong to the u3a.
- The committee will allow new groups some flexibility in collecting monies for paying for venue hire or equipment during the first three months of operations, when group numbers may be uncertain. From that point groups will be expected to adjust subscriptions to cover their costs.
- Groups are permitted to make any expenditure deemed necessary by the group members.

2.2 Money collected from group members

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

- Monies collected for venue hire should be paid to the Treasurer.
- Minor cash out of pocket expenses can be paid directly by the Group Coordinator
- Group Coordinators should be able to demonstrate how the payments from group members are used.

2.3 Payments

2.3.1 When a new group or social activity is set up the treasurer and/or groups coordinator will inform relevant group, activity and trip leaders as to the approved process for payments relating to:

- A trip organised by and paid through the u3a or paid directly by the members to the trip organiser.
- When payments may be deducted from activity revenue. These should be restricted to minor out of pocket purchases for which an invoice cannot be raised.
- Payment for venues, coaches, speakers etc should be paid directly by the u3a.

2.3.2 Based on the u3a Mutual Aid Principle the intent is to not need to pay for speakers, and u3as cannot pay a fee to speakers who are members of a u3a. However it is allowable to pay pre-agreed reasonable expenses to speakers, including u3a members. For external speakers – only if payment is really necessary – then the speaker's fee and expenses should be agreed beforehand.

2.3.3 The committee (via the Treasurer) will where necessary monitor the income and expenditure of the groups. Group Coordinators who do not use Beacon will 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 operating in line with the insurance and financial requirements.

2.4 Social activities

2.4.1 Events such as theatre trips, visits or educational days out should be charged at anticipated cost and all participants pay appropriately. The organisers of a social event should allow for a minimum number attending in the pricing of the event, and should consider cancelling if low numbers would generate a loss.

2.4.2 Social event organisers should arrange that, where possible, all expenses are covered by invoices and paid through the treasurer. The costs paid by members must also cover out-of-pocket expenses (covered by a receipt) .As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

2.4.3 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.

2.4.4 The trustees should ensure a fair and equitable policy on refunds for ticketed events to protect the interests of event participants, group Coordinators, organisers and the u3a. In practice this means that:-

- Members are encouraged in the first instance if they cannot attend an event to pass their ticket to another u3a member. The organiser will maintain a waiting list to facilitate this. The cost then being a private matter between those members.

- If the cancellation is within 24 hours of the event then a refund may not be possible
- However if the cancellation is made more than 24 hours in advance and the u3a will NOT incur any financial loss then a partial, or if possible full refund, will be given

2.5 Equipment

2.5.1 As a rule all general u3a and individual group equipment purchases should be approved by trustees and minuted at committee. However if a specific item of equipment costs £100 or less, and funds are available to cover costs then the approval may be granted by the chair or treasurer outside of the committee meeting, and the treasurer will add details to the asset register.

2.5.2 Whilst any equipment bought for a specific group is primarily used by that group, it is expected within the spirit of cooperation that the equipment could be lent to other groups.

2.5.3 Should a group close, any equipment and/or cash assets will become the general property of the u3a. Individual group members will have no claim over the equipment or cash.

2.5.4 All items owned by the u3a groups are covered by the general u3a insurance. However the equipment must be secured safely and in line with the insurance requirements.

3 Payments to other Charities

3.1 In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. However, if another charity is providing a speaker, venue or other services to a group or for the monthly talks then the u3a can make payment to that charity.

3.2 If members wish to hold a fundraising activity that would not affect the income of the event, such as a raffle or donation tin at a u3a quiz or skittles night, then members can personally organise this and pay the beneficiary. They are strongly encouraged to keep records of their fundraising and must keep the fundraising activity separate from the u3a. The money should not go through the u3a's accounts or books.

4 Expenses Policy

4.1 Day to day 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.

For exceptional expenses, 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.

4.2 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 trustees.

5 Monthly Meetings

5.1 Payments for monthly meeting expenses will be arranged between the Treasurer, the trustee booking the venue and the Speaker Secretary.

Payment for venues and speakers etc should be paid directly by the Treasurer against invoices or booking correspondence.

Minor out of pocket purchases (e.g. for refreshments) can be made by those members organising the refreshments. Reimbursement will be made against receipts.

6 Membership Fees

6.1 The membership fee is reviewed on an annual basis. The u3a is committed to keeping the membership subscription low to ensure that the u3a remains accessible to all members

7 Asset Register

7.1 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.

7.2 All assets will be fully written off in the year of purchase. The register will be reviewed annually.

8 Reserves

8.1 The u3a aims to keep a level of reserves that will cover 6 months of regular operating expenditure. While annual operating costs are generally low the trustees feel it prudent to maintain the reserves on all expenditure with the exception of

- Beacon fees
- Membership Subscriptions
- Third Age Matters magazine

9 Annual Accounts, Reporting & Charities Commission Return

9.1 Currently the u3a runs cash accounting, and the year end is 31st March.

9.2 The accounts are prepared by the Treasurer, and currently are based on spreadsheets kept by the Treasurer.

Beacon has a facility for keeping financial records and should be used for preparing the accounts.

9.3 The Treasurer shall prepare accounts for approval at the Annual General Meeting, as specified in the u3a Constitution.

9.4 An independent examiner can be a member of the u3a but not a trustee/committee member. They cannot be related parties to a committee member either, this includes familiar/in-laws or business partners. They do not have to have an accounting background. A good understanding of basic record keeping would suffice. The independent examiner will be appointed by the members at the AGM.

The u3a considers that an external examiner provides a useful check on the account methods used in preparing the accounts.

9.5 The Treasurer shall also prepare a report on activity to be tabled at every Committee Meeting. This shall show year to date receipts and expenses for administration, groups and social events, together with the bank statements relevant to the reporting period.

9.6 The Charities Commission require the u3a to submit an annual return if it's income is above £5,000 p.a. This includes financial information to be supplied by the treasurer.

10 Continuity of Service

10.1 The following measures will be taken to ensure continuity of service if the Treasurer is unable to act.

10.2 Any spreadsheets or other files used to keep the accounts will be made available online via Dropbox or other similar provision. This will allow another signatory to access this information if required.

10.3 In addition to the Treasurer, this other signatory will have access to the online bank account to view the current status of the account, and if necessary to make payments.

Drafted by B Brown & J Griffin: January 2025

Approved on: 27th January 2025