

Financial Policy

1. Introduction

1.1. Purpose

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Policy. This document is based upon the template provided by the Third Age Trust and hence includes measures intended to allow the charity trustees to meet their legal obligations. It also includes recommended best practice.

Note: All committee members are automatically trustees of the Bishop’s Cleeve u3a charity.

1.2. Related documentation

This document is based upon U3A-KMS-POL-003 Financial Policy version 1 dated 3/4/2019 from the Third Age Trust.

The Group Finance Guidelines document sets out how interest group leaders manage their group funds to meet the requirements in this document.

2. Trustee’s financial responsibilities

The trustees of Bishop’s Cleeve u3a are individually and collectively 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.

The funds collected centrally from the membership should be used for the benefit of all the members. In general, money should not be expended on something which is only available to a subset of members or which only a subset of members has the opportunity to benefit from. For more information about group finances, see section 4.

The 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 committee 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 all u3a members on the website.

The policy will be kept under review and revised as necessary.

3. Banking

3.1. Bank accounts

- All bank accounts are in the name of Bishop's Cleeve u3a and operated by the committee.
- New accounts may only be opened by a decision of the committee, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the committee, which must be minuted.
- The authorised signatories are the Chairman, Business Secretary and Treasurer and at times one other Trustee. This responsibility cannot be delegated.
- All cheques must be signed by two signatories.
- All internet transfers and payments must be authorised by two signatories.
- The signatories are responsible for examining the cheque or internet transfer 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.

3.2. Online banking

Where online operation of the bank accounts is in place only people approved by the committee will have access to this facility. The online system will be operated in a way that utilises all the security features offered by the bank.

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 trustees and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate.

It is important that the second person who authorises a payment checks that the funds are going to the correct bank account, that it is justified to pay these funds and the amount is correct.

3.3. Payment by bank cards

The issue of any bank debit or credit card in the name of Bishop's Cleeve 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 committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

Any such business debit/credit cards are held by the Treasurer. 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 trustees through the online banking service. All such payments must be supported by an invoice or receipt made out to Bishop's Cleeve u3a.

3.4. Personal debit or credit cards

The use of personal debit or credit cards for interest group activities needs to be approved by the Treasurer and is only allowed where a group feels that there is no other viable way to make payments.

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Bishop's Cleeve 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.

All invoices must be issued in the name of Bishop's Cleeve u3a.

4. Groups' finances

4.1. General

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 but are ring-fenced for the group's activities. 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 ring-fenced funds held by the u3a on their behalf, as appropriate.

A group may need to purchase equipment for use as part of their activities. If they consider the proposed item is necessary for the benefit of their group and

are unable to raise the funds themselves, the group may approach the committee with a request for the equipment to be purchased wholly or in part from central funds. Any such purchase would be at the discretion of the committee with the following points taken into consideration:

- How necessary is this equipment for the group?
- Will the equipment be of any use for other activities within the u3a?
- Would it be reasonable for the group to raise all or some of the money itself?
- Would this purchase be a good use of the u3a funds?
- Can the u3a afford it?

The Group Finance Guidelines document, as approved by the committee, sets out how interest group funds are managed 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.

4.2. Receipts

To manage the handover of cash and cheques to be paid into the Bishop's Cleeve u3a bank account the committee has decided that:

- Bank paying in slips will be given to group leaders for this purpose.
- Where applicable receipt of cash money will be acknowledged by email to group leaders.
- Cash held back by a group for cash flow purposes will be limited to £50 unless agreed otherwise by the committee.

4.3. Payments

If a group organises a visit or trip, group members should pay any entrance fee directly themselves.

Group leaders may not pay sums due by issuing their own cheque or paying online through their own bank account.

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

4.4. Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants pay appropriately.

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.

As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

Where a social event is exceptional for the group (i.e. not the main purpose of the group), group funds may only be used to pay for all or part of the event if the event is marking a special occasion, e.g. a Christmas meal.

5. Payments to other charities

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

6. Expenses policy

Out of pocket expenses incurred by the members will be reimbursed. Any expense claim should be made using the online form on the [Resources for Group Leaders page](#) on the website. Alternatively, the claim can be made via email to the u3a Treasurer (treasurer@cleeve-u3a.org.uk). Receipts should be provided with the claim in electronic format (a photo or scan of these is acceptable for receipts up to £50).

Members will not usually be reimbursed for services that they provide to the u3a or a group.

Expense claims for travel should reflect the cheapest travel option available. Travel by a personal 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 allowed, except under exceptional circumstances and with approval from the committee.

Note: If members share a lift in a car, any payment made to the driver is a personal matter between those parties involved but should be limited to the current HMRC approved rate for the actual mileage travelled. This is currently 55p/mile.

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

The cost of printing at home may be claimed at a rate of 20p per sheet for black & white and 90p per sheet for colour. (These rates are the same as at BC Library, as of May 2024.)

Outside speakers should be asked to state their fees and any travel costs at the time of booking. Payment to the speaker should be arranged through the Treasurer and will be via BACS. Paid speakers cannot be a member of any u3a.

Payment of expense claims will be authorised by at least two trustees and no trustee should authorise their own claim. Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

Expenses should be paid via BACS or by using the cash float held by the Treasurer. This float may be up to £50.

The Treasurer may authorise other members to hold small cash floats for minor expenses. These will be closely monitored to ensure proper use of the funds.

7. Membership Fees

The membership fee is reviewed on an annual basis. Bishop's Cleeve u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

Those u3a members who can provide evidence of membership of another u3a will be entitled to pay a reduced membership subscription.

8. Asset register

An asset register which is maintained by the Treasurer records all assets held including their initial purchase price, date of purchase and location.

9. Refunds

There are various reasons why a member may request a refund of some or all of the money that they have paid to the u3a. These can range from an honest mistake (e.g. an accidental overpayment), unavoidable circumstances (e.g. the member is too ill to attend a planned event) to a change of heart (e.g. the member decides they no longer wish to attend an event).

It has to be noted that the u3a may have incurred a cost when receiving the money, depending upon the method of payment. Credit card transactions and bank Direct Debits have transaction fees, meaning that the u3a does not receive the full amount paid by the member.

Members are not able to obtain a refund for membership subscriptions except in the case of overpayments, in which case the excess will be paid out in full. Other overpayments will also generally be refunded in full.

Most payments to the u3a for trips and events are deemed to be non-refundable. However, if the organiser has been able to find a replacement (and cover any overheads that may have been incurred), a refund may be given. This may be either in full (e.g. if the member is ill) or net of transaction fees (e.g. if the member changes their mind).

All refunds are ultimately at the discretion of the trustees.

10. Reserves

Bishop's Cleeve u3a aims to keep a level of reserves that will cover 6 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

The reserve needs to cover any excess on an insurance claim (currently up to £1,000), commitments on hall hires, event cancellation costs, etc. It should also be sufficient to allow an orderly shut down of the u3a if that ever became necessary.