Stanford-Le-Hope District u3a

Finance Policy

1.Policies

. This document defines the processes that Stanford Le Hope and District u3a (SLH&DU3A) will use for its financial matters. The policy will be kept under review (at least every 3 years) and revised as necessary. A copy of this document will be given to all Trustees on their election/appointment to the Executive Committee.
This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Trustees of SLH&D U3A will manage all the organisations financial affairs. The Trustees are accountable to the Membership for any non-compliance with this policy.

2. Trustees' Financial Responsibilities

2.1 Trustees

The Trustees of SLH&DU3A 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 governing document (eg Constitution) and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Ensuring Annual Accounts are prepared in accordance with the governing document and relevant legislation and reflect a clear view of the state of affairs of the SLH&DU3A.

Trustees are jointly responsible for keeping full financial records. These include those of the SLH&DU3A and all the interest groups, sub-groups etc., 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.

2.2 The Treasurer's Role

The Treasurer's role for a SLH&DU3A includes:

- Maintaining the financial records in accordance with the SLH&DU3A s's published financial policies
- Maintaining the financial records in accordance with the applicable charity law and statute
- Bank and credit card statements to be available at all committee meetings
- 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

3.Banking

3.1 Bank Mandate

A separate bank mandate document has been developed. All trustees to be on the Mandate

- All bank accounts (including Group bank accounts, where applicable) are in the name of SLH&DU3A and 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. Reviewed Yearly
- All payments to be made by the treasurer and be approved by at least one other signatory Assistant Treasure. This responsibility may be delegated to the Assistant Treasurer and other signatory where circumstances dictate (e.g. holiday cover over 1 month or the treasurer /signatories become incapacitated for an extended period of Time.)
- The authorised signatories shall be [select one from Chair, Vice Chair, Secretary and Treasurer and/ or other Trustees]. All signatories must be independent of each other. (no couples, co habiting or relative of the treasure)
- The signatories are responsible for examining the payment request for accuracy and completeness and for examining supportive documentation (purchase invoice etc.) prior to approval (signing the cheque or authorising an internet transfer).
- All bank statements and paying in receipts 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.

3.3 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 two).

- The security of the online system is in line with the arrangements offered by [Barclays Bank] and in accordance with the mandated approval limits.
- The treasurer, Assistant Treasurer and 2 other signatory to have full access to the Account.
- 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 Executive Committee and in accordance with the bank mandate.
- All payments are authorised in accordance with the bank mandate. Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.

3.4 Payment by Bank Cards

The issue of any credit card in the name of Stanford Le Hope & District U3A will be approved by the Executive Committee.

- The use of this card 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 Executive Committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month. To be review yearly.
- Stanford Le Hope & District U3A holds a credit card. This is held by the Treasurer.
- All transactions made using this card appear on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the Executive Committee.
- All such payments should be supported by some form of order confirmation and an invoice or receipt.
- All payments requiring the use of the credit must be made in writing to the committee at least three months in advance and must be approved by the full committee. The proposed transaction will be recorded in the minutes. email approval will not be excepted..

3.5 Personal Debit or Credit Cards

Only the authorised user should have access to the card; the card number and PIN or security code should never be disclosed to anyone else. The u3a credit card should be used for payments rather than a personal card.
The credit card can only be used for activities organized by SLH&D U3A
If a member has to use their own credit card or the SLH&DU3A card when arranging activities on behalf of the SLH&DU3A the transaction should be agreed in writing (at least 3 months before) with the Treasurer and Full committee before the member incurs the expense. These transactions (or expenses) will be reimbursed on receipt of an expense claim.
The use of personal debit or credit cards for interest group activities is not recommended. If they have to use their own card Permission must be sought from the Executive Committee in writing and signed by the Group leader and one other member of that group. The Executive Committee can authorize the use of a personal credit card if they feel that there is no other viable way to make payments. To reclaim any monies from the U3A an Expense form will need to be completed.

Prior approval must be given by the Full Executive Committee for equipment and other items to be purchased for the use of SLH & District 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. However, this process is discouraged and should be avoided if possible or minimised at least.

4 Accounts

4.1 Group Finances

This section applies to all groups, trip organiser, group leader's organiser activities and speakers cost.

The Executive Committee (via the Treasurer) will monitor the income and expenditure of the groups. All monies collect for group activities need to be paid into the U3A account. Group Leaders need to provide regular information, as agreed, to the Treasurer. Where groups do not comply then the Executive Committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

4.2 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 written request from the ringfenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and relevant Group Leader/s need to agree what records they need to keep of the groups' transactions 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. Such cash floats should not exceed £50

Items that may be excluded from Group finance reporting include

a) Expenditure on light refreshments e.g. tea, coffee, does not need to be reported if paid for separately.
b) Any lunches or meals out, which are not part of the core group activity do not need to be reported, as they are not deemed to be u3a activities.
c) Holidays booked directly through a travel agent/tour company/hotel with individual members paying the provider direct. If it is easier, the organiser can collate and post the individual cheques to the provider.

4.3 Receipts

To manage the handover of cash and cheques to be paid into the SLH& District U3A bank account the Executive Committee has decided that:

- Bank paying in slips will not be given to Group Leaders for this purpose. Where applicable receipts will to be given to Group Leaders, or acknowledged by email
- Group Leaders may not pay sums due by issuing their own cheque or paying online through their own bank account.
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer by a receipts and payments statement.
- All paying in slips to be sent to the treasure.
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity)

4.4 Payments

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

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

The Executive 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.

4.5 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 to 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.

Members will pay the full amount when booking a place on a trip (except for trips involving an overnight stay/s which may take deposits) and will receive a receipt.

All day and theatre trip places will be sold first at a general meeting and members cannot put their names down to reserve a ticket before they are sold unless there are exceptional circumstances. This is in order to be fair.

However, if a day trip is organised by an interest group and is connected specifically to the theme of that group they can sell places to their members first and then offer remaining places to general members of the SLH&DU3A if they so wish.

Holiday Travel places will be sold first at a general meeting, by provisional booking with deposits because of the nature, cost and length of the event.

All money for Stanford-le-Hope and District u3a collected by any interest group for day trips is to be passed to the Treasurer as soon as possible and not later than 7 days after the receipt of the money. (The term Treasurer is to mean the Treasurer or the nominated official to act on the Treasurer's behalf.) If that is not possible the money should be deposited into the correct Stanford-le-Hope and District account in Barclays plc and the deposit counterfoil passed to the Treasurer within 7 days.

The following details of any money collected will be passed onto the Treasurer by email The purpose of the money. ▪ The date collected. ▪ The amount by denomination and cheques.

Any assistance required with these matters contact the treasurer.

5. Statutory Reporting

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for SLH& District u3a is Charity Commission for England & Wales /). Further information can be found on the Trust website in Finance Matters – Guidance (see References).

6. General Reporting

The Treasurer is responsible for maintaining financial records and will submit regular (eg monthly) accounts to the Executive Committee. Accounts will be kept on a payments and receipt basis

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

7. Reserves

SLH & District u3a aims to keep a level of reserves of £12000 that will cover approximately 6 months of regular operating activity and act as emergency funding if necessary. This is considered by the Committee a reasonable level for this type of charity. To be review yearly

8. Other Points

8.1 Payments to Other Charities

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

SLH & District u3a can make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not direct to their nominated charity.

8.2 Expenses Policy

Out of pocket expenses incurred by the volunteers who are involved with running the SLH&DU3A will be reimbursed. Expense claims must be submitted with receipts. Authorised signatories are stated in Section 3.1 . No committee member should authorise their own claim.

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

8.3 Membership Fees and Membership of More Than One u3a

Each u3a will determine its own form of membership classes. The membership fees will be reviewed on an annual basis.

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

8.4 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 if using a Receipts and Payments system. If using an accrual system, u3as can also choose to write off the asset in the year of purchase or can choose to reduce the value over a period of time eg 3 years.

8.5 Gift Aid

Each u3a shall determine what it's policy will be regarding Gift Aid and this should be stated here.

8.6 Card Readers

SLH & District u3a uses a Sum card reader to take payments by credit card at our events. This is configured to pay directly into our bank account. The card reader offers an option for a receipt to be sent to the payer.

8.7 Procurement Process

For any procurement of a large value (above £1,000) 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 above value refers to either a one-off charge or an annual charge. The EC must agree to the tendering process for the particular contract or purchase order, and this must be agreed before the actual activity is started. If there is required to be any change to the agreed process during the process, the reasons must be explained to the EC and accepted by them. Prior to the final actual commitment the EC must approve the proposed conclusion.

Any commitment below the figure above can be single sourced but the EC should still approve the award recommendation.

9. Investments

9.1 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.

9.2 Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF).

9.3 These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee (limited to £85,000 per institution).

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

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

9.5 All individual investments must be approved by the Committee.

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

4. References

Stanford le Hope & District u3a has other financial documents in place. These are:

Original Policy Document.

Finance Matters – Guidance (u3a-KMS-DOC-033)

Bank Mandate – Barclays

National website link - Gift Aid Guidance