

U3A Welwyn Hatfield Finance Policy

1. Trustees' financial responsibilities

The trustees of U3A Welwyn Hatfield 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 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.
- 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 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 reviewed annually and revised as necessary.

2. Banking

2.1. Bank accounts

- All bank accounts are in the name of U3A Welwyn Hatfield and operated by the trustees.
- New accounts may only be opened by a decision of the trustees, similarly applies to closing account, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the trustees, which must be minuted.
- There are five authorised signatories. This responsibility cannot be delegated.
- The signatories must be independent of each other; they should not be partners.
- 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.
- All financial records and receipts must be kept for a minimum of six years.
- It is recommended that the bank accounts be reconciled monthly.

2.2. Online banking

Where online operation of the bank accounts is in place only trustees approved by the committee will have access to this facility. The security of the online system is in line with the arrangements offered by the bank and in accordance with the mandated approval limits.

2.3. Payment by bank cards

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 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. The issue of any bank debit or credit card in the name of U3A Welwyn Hatfield 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. The committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

U3A Welwyn Hatfield holds two business debit cards. These are held by the Treasurer and Membership Secretary. 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 officers through the online banking service. All such payments must be supported by an invoice or receipt made out to U3A Welwyn Hatfield

2.4. Personal debit or credit cards

The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission must be sought from the committee 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 U3A Welwyn Hatfield 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 and **All invoices must be issued in the name of U3A Welwyn Hatfield.**

2.5. Cash

Cash balances, wherever they are held, should be kept to a minimum to reduce the risk of loss or theft. Where a group/activity leader collects cash from members then this may be paid into their personal account for onward cheque/online transfer to the U3A's bank account. Whenever this happens a covering email should be sent to the Treasurer explaining the transaction. Using cash collected from members to meet expenses related to the activity they are attending is acceptable.

Where there is a standing arrangement for hire of premises the payment for the hire, and the moneys collected to fund the activity, should go through the U3A's bank account. It is recommended that any arrangement for regular hire of premises be signed off by a member of the Committee, as Trustee, as it is a commitment of the U3A's finances. Often fees are collected on the day from group members who are taking part in an activity, in order to pay for the activity. Any surplus belongs to the U3A and should be paid over as and when agreed with the Treasurer.

3. Groups' finances

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 funds held by the U3A on their behalf, as appropriate. The Treasurer, Groups' Leader and Group Leaders 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 practical cash floats.

3.1. Receipts

To manage the handover of cash and cheques to be paid into the U3A Welwyn Hatfield bank account the committee has decided that:

- Where and when tickets are issued for events, they must state "No Refunds".
- Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account provided they email the Treasurer to this effect. It is strongly recommended that Group Leaders keep bank accounts (separate from their personal accounts) for group activity and can produce regular bank statements showing income and expenditure to pass to the Treasurer.
- All applicable receipts will need to be given to the Treasurer, or acknowledged by email.
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer.
- Cash held back for cash flow purposes will be within the U3A's approved limits (they will vary by activity).
- Gross income, expenditure and any surplus of the group should be reported to the Treasurer as and when agreed for inclusion in the U3A's accounts.

3.2. Payments

The committee will inform relevant group leaders as to the approved process for payments relating to:

- When a trip is 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, such as venues, coaches and speakers
- When payment for venues, coaches, speakers etc must be paid by the U3A.

Outside speakers should be asked to state their fees, travel costs and equipment required at the time of booking.

3.3. Which transactions do not need to be recorded in the accounts?

Some transactions which take place directly between a member and a supplier do not need to be recorded in the U3A's main accounts. Examples could be:

- Contributions to refreshments in a member's home
- Payments to a pub/restaurant when at a group/social gathering
- Fares
- Theatre or cinema tickets
- Holidays/Trips
- Membership fees to a tennis/snooker/badminton club.

3.4. 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.

3.5. Payments to other charities

In line with Charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives. This is a fundamental part of Charity Law as all money raised by any charity should be spent on its own charitable objectives.

Based on the U3A Mutual Aid Principle, no payments are made to U3A members for services rendered to any U3A and as such a member cannot receive payment for a service to a U3A and they cannot suggest a donation to their designated charity from a U3A's account. Any U3A member as a speaker at regular meetings offer their services free to the movement and the only payment is the reimbursement of reasonable expenses incurred in providing the service and for which an expense claim is completed.

If a non-U3A member nominates a charity to receive the speaker's fee, the U3A is advised not to directly pay the charity (unless the nominated charity has similar objectives) and make payments only to the speaker. A U3A can only make a donation to another charity if it has similar charitable objectives. If a U3A member wishes to support a charity that does not have similar objectives it is advised that the proceeds of, say, a raffle at a U3A Quiz which a U3A member has organised should be remitted to the nominated charity via a member's account and not the relevant U3A.

3.6. Expenses policy

Out of pocket expenses incurred by the volunteers who are involved with running the U3A will be reimbursed and must be submitted with receipts, eg stationery. By completing the official expenses form, expense claims will be authorised by the Treasurer and no committee member should authorise their own claim. Expenses will include – with prior committee approval – attendance at the Trust's AGM and Conference, national/regional workshops and non U3A run events but that relate to the U3A.

All receipted claims need to be made to the Treasurer giving sufficient detail and backup as to the nature of the expense.

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 committee.

4. Membership Fees and membership of more than one U3A

The membership fee is reviewed on an annual basis. U3A Welwyn Hatfield is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members.

For U3A members who can evidence membership of another U3A the U3A Welwyn Hatfield will therefore reduce the cost of membership by the amount that is paid to the Trust for each member and be classed as an associate member.

5. Gift Aid

Gift Aid allows U3As to make a tax claim to HMRC on the annual subscriptions its members pay:

- It is claimable on the basic membership subscriptions the U3A receives; if inclusive rates are charged then only claim on the basic annual fee
- U3As must ensure they have valid declarations for every individual listed in the claim including one each from a husband and wife if a membership fee is received from a joint account. Where a cheque for joint membership is drawn on one member's account only one claim may be made.
- Keep declarations for 6 years and download a new form each year as they do change
- Update the declarations when people change address
- Keep all correspondence from HMRC and the Charity Commission indefinitely
- Gift Aid claims can be backdated for four years

6. 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. Any assets purchased by a study group belong to the U3A and must be returned to the U3A if the group ceases to exist.

It should be noted that under a receipts and payments reporting system, all assets under £100 are fully written off against receipts in the year of purchase. Assets over £100 are written off over 4 years at 25% of original price. The register is reviewed annually.

7. Reserves

U3A Welwyn Hatfield aims to keep a level of reserves that will cover approximately six months of regular operating activity. This is considered by the committee a reasonable level for this type of charity. Social account activities are excluded from this figure as these activities are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing. Reserves are meant to cover a range of items including, but not limited to:

- Running costs to allow a managed closure of the U3A
- Costs of outstanding commitments e.g. a lease
- Capital commitments e.g. purchase of fixed assets
- Development plan