

U3A Welwyn Hatfield Finance Policy

1. Trustees' financial responsibilities

The u3a Welwyn Hatfield is managed by four officers: Chair, Vice Chair, Treasurer and Secretary and up to 15 committee members. These form the Trustees and these 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). The audited accounts are entered onto the Charity Commission's website each year.
- Preparing Annual Accounts in accordance with the governing document and relevant legislation. All accounts are independently examined at the end of the calendar year.
- 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 kept under review 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 or a change in 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 cheques for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an on-line banking transfer.
- All bank statements must be sent to the Treasurer directly.
- Blank cheques will never be issued.
- Blank cheques should never be signed by one signatory for a second to complete later, except in extreme conditions where no other option is feasible.
- 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.
- All the bank accounts and petty cash are to 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 need to 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. Petty cash may be withdrawn by card or by cheques at the bank.

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. As with all purchases, 3 estimates should be sought to provide the best comparison/option. In some 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 U3A Welwyn Hatfield.

All cheques must be made payable to U3A Welwyn Hatfield.

2.5. Cash

Petty 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/cheques from members it is discouraged that this is paid into their personal account. Such funds are not covered by insurance and only the member has control of the money and this goes against the principle that the trustees are required to have knowledge of all monies. Using cash collected from members to meet expenses related to the activity they are attending is acceptable, as these expenses are paid out of the collected cash.

Where there is a standing arrangement for rental of premises the payment for the hire, and the moneys collected to fund the activity, all monies must 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 must be self-financing and collect such sums of money from the group members and leadership necessary to cover their venue rentals, parking vouchers (if applicable) and undertake their activities/excursions. Group members may pay sums due by cash, by issuing a cheque or paying online from their own bank account. Each payment **must** provide a clear reference to which group the payment is to be paid into, for the specific group or excursion. The funds of these groups belong to the u3a. Groups can request expenditure deemed necessary by the group and they can then request funds, if sufficient is held by the u3a on their behalf, once approved by the committee. The Treasurer, Group Co-ordinator 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 to understand how their monies are being managed and recorded.
- 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".
- 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 eg:
 - Venues
 - Coaches
 - Speakers
 - Other
- When payment is for venues, coaches, speakers etc it will be paid by the u3a.

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

The committee (via the Treasurer) will monitor the income and expenditure of the groups. Group leaders need to provide regular information or changes as agreed, eg dates or venues etc to the Treasurer.

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

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.

U3A Welwyn Hatfield will 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. The only payment exception to this principle is the reimbursement of reasonable travel expenses incurred in providing the service.

3.6. Expenses policy

Reasonable out of pocket expenses incurred by the volunteers who are involved with running the u3a will be reimbursed and must be submitted with receipts. Volunteers should look to minimise costs by getting quotes from alternative suppliers/products. Future expense claims will be authorised by the Treasurer and no committee member should authorise their own claim. Expenses will include – with 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 as to the nature of the expense and stated on the expense claim form.

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 and set by the committee. U3A Welwyn Hatfield is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members of the public who satisfy the basic premise of the u3a membership, ie not in full time employment.

For u3a members who can provide evidence of membership of another u3a then the u3a Welwyn Hatfield will reduce the cost of its 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 u3a s 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 plans.