

FINANCE Policy

Version	Comments	Date
1.0	Approved by Shipston on Stour Area U3A Executive Committee- from Third Age Trust's Recommended Policies	11.03.2025

Purpose

All charities are required to determine their "Internal Controls" for running the charity, one of these being the Financial Controls, or Financial Policy.

Trustees' financial responsibilities

Shipston on Stour Area u3a is a registered charity, number 1170969. Each individual u3a, as a member of the Third Age Trust, has a charitable constitution with charitable objects/purposes, and is subject to charity law.

The trustees of Shipston on Stour Area 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 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 kept under review and revised as necessary.

Banking

1 Bank accounts

- All bank accounts are in the name of Shipston on Stour Area u3a and operated by the trustees. The Shipston on Stour Area u3a has a current account and a deposit account with Unity Trust Bank and a PayPal account and a Sum Up Account for collection of Income from members.
- 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 [Chairman, Secretary and Treasurer and/ or other Trustees]. This responsibility cannot be delegated.
- All cheques must be signed in accordance with the agreed bank mandate.
- 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.

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 Unity Trust Bank and in accordance with the mandated approval limits.

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 is by logging on to the bank system with a personal password and access code.

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 Shipston on Stour Area 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 Shipston on Stour Area u3a.

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 ringfenced funds (Reserves) held by the u3a on their behalf, as appropriate. The Treasurer, Interest Group Co-ordinator and Interest Group Leader(s) need to agree what records they need to keep of the Interest 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.

1 Receipts

To manage the handover of cash and cheques to be paid into the Shipston on Stour Area u3a bank account the committee has decided that:

- Bank paying in slips will not be given to group leaders for this purpose.
- Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts may need to be given to group leaders or acknowledged by email.
- Cash held back by Groups should not normally exceed £50 for cash flow purposes

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:
 - Venues
 - Coaches
 - Tutors
 - Speakers
 - Other
- When payment for venues, coaches, tutors, speakers etc must be paid by the u3a.

Outside speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer.

Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

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. At present there is an annual review of Groups' finances held in March/April.

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.

3 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.

4 Payments to other charities

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

Expenses policy

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 (These can be scanned or photocopies of receipts). Expense 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. All claims need to be made on the appropriate form (copies available from the Treasurer) giving sufficient detail 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 executive committee.

Payment arrangements continue as follows.

- Invoices which Committee members receive from suppliers should be forwarded for payment to the Treasurer/Assistant Treasurer with a clear statement that the amount is correct, and that the payment should be paid. If cash is retained at the same event, this can be used in part or full payment of expenses, but a full statement of income and expenditure should be sent to one of the Finance Team.
- Expenses which Committee members incur can be claimed by sending an email (attaching any invoices or scanned copies of receipts) or by mail with supporting documents to the Treasurer/Assistant Treasurer who will arrange payment.
- It is our intention to pay all expenses quickly and preferably by bank transfer. Expenses Claims should therefore include bank name, account name and number and sort code.
- All payments are recorded, with a reference transaction number on Beacon and vouchers to support the payment are retained.

Membership Fees and membership of more than one u3a

The annual budget for the forthcoming year is prepared by the Treasurer and approved by the Trustees. The Trustees will, at the same time, review and agree the level of membership subscriptions for the following membership year. Shipston on Stour Area u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Members who pay sufficient income tax are encouraged to register for Gift Aid which is claimed annually from HMRC.

For u3a members who can evidence membership of another u3a, Shipston on Stour Area u3a will reduce the cost of membership by the amount that is paid to the Trust for each member or, for our local cluster u3as, will exempt the person from paying any extra fee.

Asset register

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

It should be noted that under a receipts and payments reporting system, all assets are fully written off against receipts in the year of purchase. The register is reviewed annually.

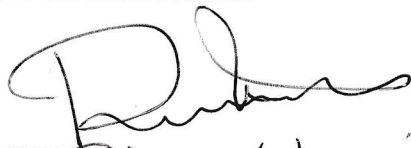
Reserves

Shipston on Stour Area u3a aims to keep a level of reserves that will cover 9 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.)

Financial Reporting

The Shipston on Stour Area u3a financial year runs from 1st April to 31st March of the following year. Annual Accounts are prepared by the Treasurer and are then examined by an independent person with the requisite knowledge and practical experience and are presented to the membership at the Annual General Meeting.

This policy was adopted on:



Signed by the Chair

Print name:

Richard Davies