

**Being a Trustee**  
 Michaela Moody  
 National Vice Chairman

<b>Slide</b>	<b>Notes</b>
<p><b>Who and What is a Trustee?</b></p> <ul style="list-style-type: none"> <li>• Every U3A Committee member is a Trustee</li> <li>• Trustees are responsible for the management and administration of the U3A</li> <li>• They work together as a team and take collective responsibility</li> </ul>	<p>Collective responsibility: one of the most important parts of the Trustee role.</p> <p>CC3 6.2 Making decisions</p> <p>Model Constitution 10 v</p>
<p><b>What must a Trustee do?</b></p> <ul style="list-style-type: none"> <li>• Trustees must ensure that their U3A complies with Charity Law and the Objectives and Principles of the U3A</li> <li>• They must use U3A funds only to further the U3A's charitable Objects (purposes)</li> <li>• They have a Duty of Care to operate in good faith to ensure the U3A is well-run and efficient</li> </ul>	<p>U3A charitable Objects or Purposes are those laid down in the Model Constitution: namely The charitable purposes of The U3A are:</p> <p>i. to advance education and in particular the education of people not in full time gainful employment who are in their Third Age (being the period of time after the first age of childhood dependence and the second age of full time employment and/or parental responsibility) residing in ** [and its surrounding locality].</p> <p>It is important that you are potentially delivering charitable benefit to a sufficiently large group of the population. No closing the books!</p>
<p><b>Charity Commission &amp; Registration</b></p> <ul style="list-style-type: none"> <li>• Each U3A is a charity by virtue of its Constitution and is subject to Charity Law</li> <li>• U3As must register with the CC once their annual income exceeds £5000</li> <li>• <b>All</b> U3As have charitable status by virtue of their Constitutions whether they are registered or not</li> <li>• U3As <b>must</b> never use the Third Age Trust's registered charity number</li> </ul>	<p>All U3As are affiliated to the Third Age Trust. They are independently operated but must abide by Charity Commission regulations and the Guiding principles of the U3A movement</p> <p>Annual income refers to Membership subscriptions. One-off items, such as a Grant, do not count for registration purposes</p>

<p><b>U3As and their committees</b></p> <ul style="list-style-type: none"> <li>• Committee members are all Trustees</li> <li>• Trustees are collectively responsible for the proper handling of U3A funds</li> <li>• All Trustees are covered by Trustee Indemnity Insurance provided by the Third Age Trust</li> <li>• The Third Age Trust is a Registered Charity and a Limited Company</li> </ul>	<p>If an error is made, Trustees are protected by the Trustee Indemnity Insurance provided by the Third Age Trust.</p> <p>They must have acted in good faith, have taken due care and have followed the relevant procedures. All procedures are documented in information made available by National office to U3As.</p> <p>See CC3a 6.2 Making decisions§</p>
<p><b>Payments</b></p> <ul style="list-style-type: none"> <li>• U3As are bound by their Constitution</li> <li>• U3A members cannot be paid by U3As</li> <li>• Payments to other charities are normally illegal: donations to a charity with different Charitable Objects is <b>not</b> allowed</li> <li>• Speaker payment, in lieu of a fee or the hire of a hall from a charity, is allowed <b>but must be shown as such in the accounts</b></li> </ul>	<p>If a member of another U3A makes a presentation or gives a talk at a monthly meeting, no payment other than expenses can be made.</p> <p>It is unlikely that there is another charity with the same charitable objects as U3A. Donations means that a cheque cannot be made out to a specific charity unless it is clearly stated that it is in lieu of a fee. Cash payments or donations made by individual U3A members are allowed, ie you can put out a collection box into which individuals can make a donation.</p>
<p><b>Insurance</b></p> <ul style="list-style-type: none"> <li>• Capitation fees paid to National Office for each member provide Public Liability insurance cover which protects U3A from claims from members or the general public</li> <li>• It only covers groups with <b>unpaid</b> tutors</li> <li>• Dangerous activities: consult National office</li> <li>• Attendance at another U3A's activities is at the discretion of <b>both</b> committees</li> </ul>	<p>You must understand that the insurance which covers U3A activities is Public Liability Insurance – it is not Personal insurance. If an accident happens, you must be able to prove liability before a claim can be made. Remember U3A insurance does not cover interest groups which are led by paid tutors. Such tutors must have the necessary Public Liability insurance and make payments for tax and insurance. U3As do not have Employers' Liability Insurance and cannot employ people. It is the Committee's responsibility to establish the employment status of a paid tutor. See Advice sheet on Paid tutors.</p> <p>If members are allowed to attend the activity groups of another U3A, the two committees must have formally agreed to it. Individual group leaders cannot make independent arrangements with a Group Leader of another U3A. The arrangements must be made by the 2 Committees concerned.</p>

<p><b>Paid tutors</b></p> <ul style="list-style-type: none"> <li>• Paid tutors are <b>not</b> within the U3A ethos</li> <li>• If used, the committee must have written assurance from the tutors that they are registered with HMRC for tax and national insurance purposes and that they have public liability insurance</li> </ul> <p><b>Without this assurance you may be considered by law to be an employer. You have no Employers' Liability insurance.</b></p>	<p><b>See Advice sheet on Paid tutors</b></p> <p>Committees should use HMRC's Employment Status Indicator (<a href="http://www.hmrc.gov.uk/calcs/esi.htm">http://www.hmrc.gov.uk/calcs/esi.htm</a>) which, on the basis of the information you supply, will provide an answer on the individual's employment status.</p> <p>If this status emerges as <b>Employed</b>, a U3A committee should not continue with that person</p>
<p><b>Bank accounts</b></p> <ul style="list-style-type: none"> <li>• One main account is necessary with the mandate that all cheques are signed by 2 signatories who must be Trustees and are usually the Officers</li> <li>• Have a pool of 4 or 5 signatories to cover holidays</li> <li>• Inform the Treasurer about every cheque not signed by him/her</li> </ul>	<p>Essential that only Trustees sign cheques as they are the only members accountable for members' money. Not all banks allow 4 or 5 signatories but always go for the maximum the bank allows. This ensures you have cover for absences and holidays. If the Treasurer does not sign a cheque, he/she should always be informed – the Treasurer needs to reconcile the bank statement</p>
<p><b>Social accounts</b></p> <p>Social account for theatre visits, outings, lunches should have the mandate set up as for the main account.</p> <p>This may delay the need to register for small U3As and simplifies reporting of non-charity activities to the committee, the U3A and HMRC</p>	<p>As with the main account, the signatories need to be Trustees. For example, if a Sub Committee has been sent up to handle the large sums of money which are needed to pay for tickets etc a member of the Committee should chair the Sub Committee so that there is a reporting relationship between the Sub and main Committees.</p> <p>A social account makes it easier to keep core business money and that for social activities separate.</p>
<p><b>Use of members' money</b></p> <ul style="list-style-type: none"> <li>• Annual subscriptions <b>may not</b> be used for social activities</li> <li>• Money cannot be moved from the main to the social account unless it is a loan for the advance payment of tickets</li> <li>• It is better to ensure that all moneys for tickets are paid up front</li> </ul>	<p>Membership Subscriptions may only be used for activities associated with the U3A's core business, ie Interest Groups. With social events, it is better practice to get members to pay for tickets when they sign up for the outing than to get a loan from the main account. This does not guarantee that members who have signed up will pay up!</p>

<p><b>Funding U3As</b></p> <ul style="list-style-type: none"> <li>• An <b>inclusive</b> fee including all group attendances This saves cash handling but may discourage membership</li> <li>• Smaller <b>basic</b> fee with attendances charged for but separate charges cannot be gift aided It is also harder to react to sudden increases in hall costs with a lower membership fee</li> </ul>	<p>There is a fairly general feeling that a smaller membership fee with charges for attending interest groups or monthly meetings is more equitable. However if a member pays a £10 annual fee, attends all monthly meetings at £1 a time, this brings annual expenditure up £22, more if there are charges for attending Interest groups. But it does mean that there has to be someone at each meeting to take payment. Separate charges for monthly meetings cannot be counted towards Gift Aid as these are then seen as benefits. Changes in membership subscription must be put to the membership at an AGM and cannot be implemented until after the next AGM.</p>
<p><b>Handling money</b></p> <ul style="list-style-type: none"> <li>• <b>Trustees are responsible for all moneys paid to the U3A</b></li> <li>• All money collected <b>must</b> go through the books</li> <li>• Self funding groups <b>must not</b> bypass the U3A accounts</li> <li>• Contracts for hall hire <b>must be signed</b> by a Trustee</li> <li>• Groups may <b>not</b> set up individual bank accounts</li> </ul>	<p>Three important issues here:</p> <ul style="list-style-type: none"> <li>• Trustees are responsible for ALL moneys paid to the U3A therefore it has to be accounted for</li> <li>• No group leader may take out a contract for the hire of a hall for monthly meetings or for a room for Interest group meetings</li> <li>• Interest groups may not set up bank accounts as they are neither trustees nor accountable for members' money. U3A insurance will not cover the activity.</li> </ul>
<p><b>Gift Aid</b></p> <ul style="list-style-type: none"> <li>• HMRC revised their paperwork in July 2015</li> <li>• Gift Aid is for <b>donations</b> and therefore membership subscriptions are not allowed for Gift Aid</li> <li>• Most membership charities have arranged their affairs so that Gift Aid is allowed by HMRC</li> </ul>	<p><b>See HMRC Gift Aid and Practice Chapter 3</b></p>
<p><b>Advice on Gift Aid</b></p> <p style="text-align: center;"><b>Inform HMRC in writing of all the details of your finances Get a written reply from them Consult CC3 Chapter 3.23 Valuing Donor Benefits</b></p>	<p>This advice should be followed as it is the only guarantee U3As have that they are approved for Gift Aid</p>

<p><b>Subsidising Interest Groups</b></p> <ul style="list-style-type: none"> <li>• Interest Groups can be subsidised for losses and costs by the Committee as these are Core U3A activities</li> <li>• Self-funding must not imply that the money belongs to the group</li> <li>• Cross subsidies between groups is allowed</li> </ul>	<p>Again, it is important that there are procedures in place to cover this activity and sufficient records are kept of the subsidies. A request for a subsidy should always be made to the Committee in writing and any subsequent decisions minuted in Committee meeting Minutes.</p>
<p><b>Overall amount of membership fees</b></p> <p>When reviewing membership subscriptions, consider:</p> <ul style="list-style-type: none"> <li>• Funding one or more members to attend National Conference and/or AGM</li> <li>• Direct mailing of Third Age Matters being included without extra payment</li> <li>• Building up adequate but not excessive reserves – 6 months should be the maximum</li> </ul>	<p>Committees must not assume that members do not wish to attend the National Conference or AGM. If they have reasonable funds, they should budget for preferably 2 members to attend. These do not need to be Committee members</p> <p>Deciding not to subscribe to the mailing of Third Age Matters actually deprives the membership of an opportunity to 5uthori there is a wider world outside their U3A</p> <p>U3As are not allowed to make a profit but adequate reserves allow for sudden increase in meeting costs or participation in a useful event or conference</p>
<p><b>Credit and Debit cards</b></p> <ul style="list-style-type: none"> <li>• Many theatres now accept cards only</li> <li>• Do <b>not</b> use personal cards</li> <li>• Try for a debit card on your social account using 2 mandated signatories to obtain cards</li> <li>• Trustees must set a clear policy for use which incorporates strict controls</li> </ul>	<p>Using a personal credit card to pay for theatre tickets is dangerous, if anything goes wrong it is only the card owner who is recompensed</p> <p>Very strict controls should be set up for the use of Debit cards: see <b>Information for Treasurers, Paying by Credit/Debit card</b></p>
<p><b>Internet Banking</b></p> <ul style="list-style-type: none"> <li>• Should be confined to those banks offering dual 5uthorized5on</li> <li>• U3As should have the same level of financial control as they do with a cheque account</li> <li>• It is acceptable to have on-line banking for interbank transfers between accounts, committee Authorized Direct Debit payments and for downloading statements</li> </ul>	<p><b>See Information for Treasurers, Internet Banking</b></p>

<p><b>Year End Accounts – Social account</b></p> <ul style="list-style-type: none"> <li>• Social Accounts are not required by Charity law but you should present annual accounts for this area to your AGM</li> <li>• These should be in the same format as accounts for the main bank account</li> <li>• They should be examined</li> <li>• They are not sent to the Charity Commission</li> </ul>	<p><b>See Information for Treasurers, Social Accounts</b></p>
<p><b>Year end accounts</b></p> <ul style="list-style-type: none"> <li>• Income under £25,000 pa does not need to be submitted to the Charity Commission</li> <li>• Between £25,00 and £250,000 accounts must be submitted on an annual basis</li> <li>• Accounts should be prepared on an Income and Expenditure basis</li> </ul>	<p><b>See Information for Treasurers, Accounts/Year End &amp; AGM</b></p>
<p><b>Auditing the accounts</b></p> <ul style="list-style-type: none"> <li>• Accounts need to be examined.</li> <li>• Under £250,000 this should be carried out by an independent person with requisite knowledge and practical experience</li> <li>• Avoid inviting a member or close associate of your U3A to examine your accounts</li> <li>• There are advantages in matching the Trust’s financial year</li> </ul>	<p><b>See Information for Treasurers, Accounts/Year End &amp; AGM</b>  Ideally it should be an external examiner but if you find yourselves in the situation of not having anybody outside your U3A who is prepared to do it, it must not be a member who has any relationship to or close contact with a member of your committee or the committee as a whole.</p>
<p><b>Arrangement of Trips</b></p> <ul style="list-style-type: none"> <li>• If free places are offered, these must be declared and shared</li> <li>• Holidays should be booked through an ABTA bonded Travel Company</li> <li>• Field trips for study groups can be organised by your U3A and shown in your books</li> </ul> <p><b>Tour Operators Liability Insurance covers this</b></p>	<p>Members should not benefit from items like free places. This is against the U3A ethos – the money should be shared out evenly among the group. If, however, the organiser is a trustee, a free place should not be offered as trustees must not receive any personal benefit whilst in the role.</p> <p>Field trips for study groups can take benefit from the Tour Operators Liability Insurance – this is not insurance for U3As organising holidays which should be booked with an ABTA bonded Travel company</p>

<p><b>Primary Sources of Information</b></p> <ul style="list-style-type: none"> <li>• Charity Commission The Essential Trustee (CC3)</li> <li>• HM Revenue &amp; Customs HMRC Gift Aid and Practice Chapter 3</li> </ul>	
<p><b>Secondary Sources of Information</b></p> <p><b>Third Age Trust publications</b></p> <ul style="list-style-type: none"> <li>• Aims and Guiding Principles</li> <li>• Committees and Procedures</li> <li>• Gift Aid (Advice sheet 3)</li> <li>• Group Leaders (Advice sheet 14)</li> <li>• Information for Treasurers</li> <li>• Insurance</li> <li>• Managing your AGM (Advice sheet 4)</li> <li>• More Time to Learn</li> <li>• Paid Tutors Advice sheet</li> </ul>	