

# CHALFONTS U3A FINANCE POLICY AND PROCEDURES



**Adopted on 28 November 2019**

## **1. Trustees' financial responsibilities**

The trustees of Chalfonts 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.

## **2. Banking**

### **2.1. Bank accounts**

- All bank accounts are in the name of Chalfonts U3A 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.
- The authorised signatories are the Chairman, Vice Chairman, Secretary, Treasurer, Finance Officer, Beacon Administrator, and Membership Secretary. This responsibility cannot be delegated.
- All cheques must be signed by two signatories.
- The signatories are responsible for examining the cheque for accuracy and completeness.
- A signatory is 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.

### **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 NatWest and Lloyds Banks 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 Chalfonts U3A 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 (e.g. theatre tickets). The committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

### **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 Treasurer where a group feels that there is no other viable way to make payments.

Prior approval must be given by the Treasurer for equipment and other items over £25.00 to be purchased for the use of Chalfonts 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 Chalfonts U3A.

## **3. Groups' finances**

Interest groups are expected to be self-financing (other than any agreed subsidy for room/accommodation hire) 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. The Treasurer, Finance Officer, Group Co-ordinator and Group convenors(s) need to agree what records they need to keep of the group's 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.

### **3.1. Receipts**

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

- Group convenors will not normally pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts will need to be given to group convenors 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 (these will vary by activity).

### **3.2. Payments**

In order to share the banking, payment and accounting workload, with effect from 1 October 2019, Chalfonts U3A operates two separate bank accounts, one for Member activities and the other for General administration.

The committee (via the Treasurer) will monitor the income and expenditure of the groups. Group convenors need to provide regular information, as agreed, to the Treasurer. 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.

### **3.3 Paid tutors**

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. Convenors of groups using paid tutors will be permitted to collect cash from group members and make payment to the tutor on the production of an invoice/receipt, with the prior approval of the Treasurer.

### **3.4 Member Activities account**

The account with NatWest will be for member activities and its day to day administration will be undertaken by the Finance Officer.

The Finance Officer will be responsible for banking, payments, accounting and reporting for member activities i.e.

- Excursions
- Theatre trips
- Garden visits
- London walks
- New activities
- Narrow boat outings
- Annual walking weekend

Cheques received for banking and invoices / payment requests for these activities should be directed to the Finance Officer via the group convenor or their representative. The NatWest bank account will be used only for these activities. Over time some payments out may be made online. The Finance Officer may produce standardised forms for group convenors to complete in order to support the monitoring of financial expenditure and income from the above interest groups.

The objective remains that all member activities are self- funding and that in theory the member activities bank account, subject to timing of payments and receipts, will have a zero balance. In practice there will often be small surpluses or deficits on individual activities which become part of General reserve at the financial year end.

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.

### **3.5 General Admin account**

An account has been opened with Lloyds which will be used for General Admin receipts Membership subscriptions, Gift Aid, Hire cost contributions, Riviera donations, teas, miscellaneous and any non -member activity income.

Payments include Venue Hire, Central U3A charges and conference, speakers, IT, publicity, newsletters, membership and administrative costs, reimbursement of expenses (Committee members/convenors/group member expenses incurred on behalf of U3A activities), equipment,

convenor meeting etc. 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.

This bank account will include all transactions which contribute to the annual financial surplus or deficit. Ideally all reimbursement requests for admin related to Activity groups should be submitted for payment through this account. The Treasurer will maintain this account and any receipt and payment requests should come to the Treasurer.

### **3.6 Payments to other charities**

In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives. Chalfonts 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.

## **4 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. Expense claims will be authorised by a member of the Executive Committee (Officer) and no committee member should authorise their own claim. (Treasurer's expenses to be authorised by the Chairman; Chairman's expenses to be authorised by the Treasurer). 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.

## **5 Membership Fees**

The membership fee is reviewed on an annual basis. Chalfonts U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members. There is no discount offered to members who belong to more than one U3A. If someone is a registered carer (and proof is provided) of a paid up CU3A member, then their membership is free.

## **6 Reserves**

Chalfonts U3A aims to keep a level of reserves that will cover 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.

VERSION 1 NOVEMBER 2019