

1. POLICY

Each u3a is required to set down its financial policies and procedures.

This document defines the processes that Saltburn District u3a (SDu3a) will use for its financial matters. The policy will be kept under review (at least every 3 years) and revised as necessary. A copy of this document will be given to all Trustees on their election/appointment to the Executive Committee.

This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Trustees of SDu3a will manage all the organisation's financial affairs. The Trustees are accountable to the Membership for any non-compliance with this policy.

2. TRUSTEES' FINANCIAL RESPONSIBILITIES

2.1 Trustees

The Trustees of SDu3a are financially accountable for:

- a. Safeguarding the assets of the charity.
- b. Identifying and managing the financial risk of loss, waste, theft or fraud.
- c. Ensuring the financial reporting is robust and of sufficient quality.
- d. Keeping financial records in accordance with the governing document (eg Constitution) and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- e. Ensuring Annual Accounts are prepared in accordance with the governing document and relevant legislation and reflect a clear view of the state of affairs of SDu3a.

2.2 The Treasurer

The Treasurer's role for SDu3a includes:

- a. Maintaining the financial records in accordance with the SDu3a's published financial policies.
- b. Maintaining the financial records in accordance with the applicable charity law and statute.
- c. Managing the bank accounts in accordance with the financial policies.
- d. Preparation of accounts and budgets.
- e. Preparation of the annual accounts for the AGM, publication and filing.
- f. Ensuring that an Asset Register is maintained.

3. BANKING

3.1 The Bank Mandate

The Bank Mandates require two (2) out of the pool of four (4) agreed Trustees as authorised banking signatories for each cheque signed on behalf of SDu3a and for electronic bank transfers. Any change to the definition of the bank mandates required by SDu3a must be approved and minuted by the Executive Committee.

3.2 Bank Accounts

- a. All bank accounts (including Group bank accounts, where applicable) are in the name of Saltburn District u3a and operated by the Trustees.
- b. New accounts may only be opened by a decision of the trustees, which must be minuted.
- c. Changes to the bank mandate may only be made by a decision of the trustees, which must be minuted.
- d. All payments must be approved by at least two signatories (one normally being the Treasurer).
- e. The authorised signatories shall be made up from elected members of the committee.
- f. The signatories are responsible for examining the payment request for accuracy and completeness and for examining supportive documentation (purchase invoice etc.) prior to approval (signing the cheque or authorising an internet transfer).
- g. Whenever practical two people should be involved in counting cash receipts.
- h. All bank statements must be available for the Treasurer.
- i. Blank cheques will never be issued.
- j. Blank cheques will never be signed by one signatory for a second to complete later.

3.3 Online Banking

Where online operation of the bank accounts is in place only Trustees approved by the Committee will have access to this facility (as above, at least two). The security of the online system is in line with the arrangements offered by National Westminster and Cambridge & Counties, and in accordance with the mandated approval limits.

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 Executive 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.

3.4 Payment by Bank Cards

The issue of any bank debit or credit card in the name of Saltburn District u3a will be approved by the Executive 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).

3.5 Personal Debit or Credit Cards

- a. Saltburn District u3a has 1 Debit Card in the possession of the Theatre Group Leader specifically for the purchase of theatre tickets and payment of coach fees for outings with the Theatre Group. The spending limit is restricted to £1500.00. Only the authorised user should have access to the card; the card number and PIN or security code should never be disclosed to anyone else.
- b. If a member has to use their own credit or debit card when arranging activities on behalf of SDu3a, the transaction should be agreed in writing with the Treasurer before the member incurs the expense. These transactions (or expenses) will be reimbursed on receipt of an expense claim.
- c. The use of personal debit or credit cards for interest group activities will be closely managed.
- d. Prior approval must be given by the Executive Committee for equipment and other items to be purchased, over the value of £25.00, for the use of SDu3a 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. However, this process is discouraged and should be avoided if possible or minimised at least.

4. ACCOUNTS

4.1 Groups' Finances

While this section is titled Groups' Finances, the following procedures will apply to activities that are organised for SDu3a's wider membership, for example regarding Outings or Speakers. Therefore, the term Group Leader shall cover, for example, Trip Organiser or similar.

The Executive 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. Where groups do not comply then the Executive Committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

4.2 Group Finance Records and Reporting

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 SDu3a. Groups are permitted to make any expenditure (within SDu3a parameters) deemed necessary by the group members and the group leadership and can withdraw money on request from the ringfenced funds held by SDu3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and relevant Group Leader(s) need to agree what records they need to keep of the groups' transactions in order to:

- a. Allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the Trustees and to meet regulatory requirements
- b. Allow the group members to understand how their monies are being managed
- c. Maintain transparency and trust for all concerned
- d. Minimise the risk of error and potential loss of funds
- e. Allow only the Theatre Group leader to maintain a cash float to a maximum of £200.
- f. Expenditure on light refreshments e.g. tea, coffee, does not need to be reported if paid for separately.

Items that may be excluded from Group finance reporting include

- a. Any lunches or meals out, which are not part of the core group activity **cannot be claimed** and do not need to be reported, as they are not deemed to be SDu3a activities.

4.3 Receipts

To manage the handover of cash and cheques to be paid into the SDu3a bank account the Executive Committee has decided that:

- a. Bank paying in slips will not be given to Group Leaders for this purpose
- b. Group Leaders may pay sums due by issuing their own cheque or paying online through their own bank account
- c. Where applicable, receipts will need to be given to Group Leaders, or acknowledged by email
- d. Where net sums are being paid over, this needs to be fully demonstrated to the Treasurer by a receipts and payments statement
- e. Cash held back for cash flow purposes will be within the SDu3a's approved limit.

4.4 Payments

The Executive Committee will inform relevant Group Leaders in writing the approval process for payments relating to:

- a. When a trip or event is organised by and paid through the SDu3a.
- b. Trips and holidays involving more than 24 hours must be booked and paid for by members through a registered tour operator which can be the local SDu3a.
- c. When payments may be deducted from activity revenue.
- d. When payment for venues, coaches, tutors, speakers etc must be paid by the Treasurer or Theatre Group Leader.

The Executive Committee should agree or otherwise to the use of any paid tutors or speakers for Groups. If approved, the proposed tutor or speaker must provide evidence of their self-employed status (if applicable), state their fees and any travel costs at the time of booking, and invoice appropriately after the activity. Where a paid tutor is hired for activity classes, they need to provide evidence of holding Public Liability Insurance.

4.5 Social Activities

- a. Events, (excluding SDu3a Theatre Group) visits or educational days out must be charged at cost and all participants pay appropriately. The costs paid by members must cover all out-of-pocket expenses.

- b. Due to fluctuating numbers on SDu3a Theatre Group outings, trips cannot always be charged at cost; as with SDu3a groups, popular trips will generate income to cover those running at a loss.
- c. 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.
- d. 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.

5. STATUTORY REPORTING

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for SDu3a is the Charity Commission for England & Wales. Further information can be found on the Trust website in Finance Matters – Guidance.

6. GENERAL REPORTING

The Treasurer is responsible for maintaining financial records and will submit regular accounts to the Executive Committee.

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data.

7. RESERVES

SDu3a aims to keep a level of reserves that will cover approximately 6 months of regular operating activity. This is considered by the Committee a reasonable level for this type of charity.

8. OTHER POINTS

8.1 Payments to Other Charities

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

SDu3a can 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.

8.2 Expenses Policy

Out of pocket expenses incurred by the volunteers who are involved with running SDu3a will be reimbursed. Expense claims must be submitted with receipts. No committee member should authorise their own claim, except for printing/ink/paper.

All claims need to be made by the agreed procedure giving sufficient detail as to the nature of the expense.

8.3 Membership Fees

SDu3a will determine its own form of membership classes. The membership fees will be reviewed on an annual basis, changes to membership fees will be announced at AGM to be effective from the following membership year.

SDu3a is committed to keeping the membership subscription as low as possible to ensure that SDu3a remains accessible to all members.

8.4 Asset Register

An asset register will be maintained by the Treasurer and will be reviewed annually. All equipment purchased from central funds, for the benefit of all members, is owned by SDu3a.

8.5 Gift Aid

SDu3a will claim gift aid for every member who gives authorisation. For more information see SDu3a Financial Procedures Document.

8.6 Procurement Process

For any procurement of a large value (above £1,000) item there must be a documented competitive tender process in place. This is applicable for any capital item or service. If a service, then the above value refers to either a one-off charge or an annual charge. The Executive Committee must agree to the tendering process for the particular contract or purchase order, and this must be agreed before the actual activity is started. If there is required to be any change to the agreed process during the process, the reasons must be explained to the Executive Committee and accepted by them. Prior to the final actual commitment, the Executive Committee must approve the proposed conclusion.

Any commitment below the figure above can be single sourced but the Executive Committee should still approve the award recommendation.

9. INVESTMENTS

- a. SDu3a's prime consideration is that it is merely holding money on behalf of its members. While SDu3a should seek to obtain the best investment returns available, the security of funds takes precedence over returns on investment.
- b. Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF).
- c. These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee (limited to £85,000 per institution).
- d. The COIF is not covered by the FSCS guarantee, however it has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.
- e. No investments will be made into stocks, shares, gilts, or bonds where the risk level would be too high.
- f. All individual investments must be approved by the Committee.
- g. The investments should be reviewed annually by the Committee, as part of the fee setting process to take account of changing economic conditions.

10. REFERENCES

SDu3a Financial Guidelines and Procedures

U3A Finance Matters Guidance

U3a Gift Aid Advice