

# Pembury u3a

## Finance Policy

Approved by MC on 7<sup>th</sup> September 2023

To be reviewed bi-annually

Abbreviations used:

CC	Charities Commission
HMRC	His Majesty's Revenue and Customs
TAT	Third Age Trust
MC	Management Committee (Trustees)
GO	Group Organiser
AGM	Annual General Meeting
EGM	Extraordinary General Meeting

This Policy was written following guidelines issued by the Third Age Trust and adapted by the Trustees to suit the needs of Pembury u3a.

## **Pembury u3a Finance Policy**

### **1 Trustees' Financial Responsibilities**

The Trustees of Pembury u3a are responsible for the following:

- Safeguarding the assets of the charity.
- Identifying and managing the risk of loss, waste, theft or fraud
- Ensuring the financial reporting is robust keeping financial in accordance with the governing document and the relevant legislation (Charities Acts and TAT guidelines).
- Preparing Annual Accounts in accordance with the governing document, TAT guidelines and relevant legislation.
- The account should show a true and fair view of the state of affairs of the u3a.

All Trustees are jointly responsible for keeping full financial records, including those for all interest groups.

GO are responsible, jointly with the trustees, for u3a funds held on behalf of their groups.

To enable trustees to carry out these responsibilities, a copy of this policy will be made available on the Pembury u3a website.

### **2 Accounting Procedures**

The financial records/accounts are recorded on a receipts and payments basis rather than an accruals and prepayments basis, in line with TAT recommendations.

If there are significant amounts of receivable or payable (i.e. debtors or creditors) at year end this should be noted in the annual accounts presented to the members.

The financial year runs from 1<sup>st</sup> April to 31<sup>st</sup> March.

Reports should be made to the MC at least bi- monthly and at the end of the financial year.

Full accounts must be submitted to the MC and the accounts examiner at the end of the financial year. Once approved the full accounts are submitted to the members at the AGM. Once approved by the members a copy is submitted to the CC by the Treasurer.

A formal audit of the annual accounts is not required, in line with TAT and CC guidelines. However, the annual accounts will be examined by an appointed accounts examiner who is not a Trustee or a member of Pembury u3a.

### **Finance sub group**

A finance sub group to be established to approve any expenditure over £100.00 Other expenses can be approved by the treasurers at their discretion. Treasurers cannot approve their own expenses. Finance committee members are Chair, Vice Chair, Group Organisers Co-ordinator and Treasurers. It is expected that expenses approval will be completed electronically and recorded at the next MC meeting. A minimum of two members must approve expenditure over £100.00. All members must approve anything over £250.00.

### **Bank Accounts**

Bank accounts for the Pembury u3a are in the name of Pembury u3a and are operated by the Trustees.

New accounts may only be opened by decision of the MC and this decision must be noted in the minutes.

The primary bank mandate should have a minimum of three Trustees as authorised signatories, including the Treasurer. Other authorised signatories are the Chair and the Secretary. This responsibility cannot be delegated but other Treasurers may be included in the mandate.

All Pembury u3a accounts should have a minimum of two authorised signatories.

All cheques must be signed by two signatories independent of each other.

The signatories are responsible for examining all cheques for accuracy and completeness. All bank statements must be sent to the Treasurer directly.

Blank cheques must 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 of cash receipts.

### **Online banking**

Where the operation of on-line banking is in place for all bank accounts, only authorised Trustees or those with the authority delegated by the MC will have access to this facility. The security of the online system is in line with the arrangements offered by the relevant bank and in accordance with the mandated approval limits.

Operation of the bank accounts is under the control of the u3a Treasurers who have full access rights and are responsible for assigning the appropriate delegated rights, as agreed by the MC, and in accordance with the bank mandate. All payments are authorised in agreement with the bank mandate.

### **Payment by credit card**

The issue of a credit card in the name of Pembury u3a will be approved by the MC. The use of this card overrides the dual control aspect of the payment authorisation process, but is permitted. This must be agreed in advance by a Treasurer. The MC will predetermine the spending limit of the credit card. This is currently set at £2,500.

### **Personal debit or credit cards**

The use of personal debit or credit cards for group activities needs to be closely managed. Permission must be sought from the MC where a group feels there is no other viable way to make payments.

Prior approval must be given by the MC for any equipment and other items purchased, for the use of Pembury u3a or a specific interest group.

(over £100.0) (see section 3 below). In these circumstances, it may be appropriate for a member to purchase the equipment themselves and then claim the costs as a personal expense claim.

### **Expenses**

Out of pocket expenses incurred by the volunteers who are involved with running Pembury u3a and its groups will be reimbursed. Expense claims must be submitted with a receipt or invoice when reimbursed through the u3a accounts.

Expense claims will be authorised by the MC. No committee member should authorise their own claim. Expenses will include, with MC prior approval, attendance at the TAT AGM and conference or national/regional workshops.

The Treasurers can approve claims with the exception of their own.

Expense claims should reflect the cheapest travel option available. Travel by car will be reimbursed at the 60p per mile 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 prior approval of the MC.

### **Membership Subscriptions**

The membership subscription is reviewed on a regular basis and may only be amended following approval by the members at the AGM/EGM. Pembury u3a is committed to

keeping the membership subscription as low as possible to ensure the u3a remains accessible to all members.

### **Payments to other charities**

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

Pembury u3a may make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not directly to their nominated charity.

Payments by Pembury u3a can never be made to or at the sole direction of a trustee in return for services rendered by that Trustee.

### **Annual Budget**

Annual budget to be produced by the Treasurer for the April/May meeting. The budget to be approved by the MC at this meeting. This will provide a guide for all organisers when planning for the future and ensure financial stability when decisions are made.

Budget to include:

Publicity and Newsletter, GO lunch, Speaker costs, Monthly meetings, venue hire and refreshments, Events and Equipment. TAT contributions, Beacon costs, web site maintenance.

### **Gift Aid**

The policy of Pembury u3a is to encourage members to give their permission for Pembury u3a to claim Gift Aid funding from HMRC.

Members are required to give Pembury u3a permission to pass on their details to HMRC for the purpose of claiming Gift Aid.

The Treasurer/Membership Secretary will record all Gift Aid subscriptions in Beacon and the Treasurer will complete the relevant documents for HMRC within the agreed time period specified.

All documents will be stored electronically on the shared drive.

The first Gift Aid claim will be made in financial year ending ???

### **Reserves**

Reserves are required to ensure the continuity of Pembury u3a in the following circumstances:

- In the event of a sudden drop in income
- to cope with unexpected and unplanned increases in expenditure,
- to replace assets
- to cover future equipment demands
- to deal with emergency situations.

Our reserves therefore provide a contingency for expenditure over and above day to day commitments and other planned outgoings.

The Trustees have resolved that our reserves should not fall below £3,000 (6-12 months running costs) which is consistent with the TAT recommendation. The appropriate level of reserves will be reviewed and set by the committee annually in May.

Reserves may only be spent in furtherance of Pembury u3a objectives in accordance with the Constitution dated 2021.

#### **Asset Register**

An asset register is maintained which records all assets including their initial purchase price, the date of purchase, estimated nominal value, location and keeper. The register is to be maintained by the Treasurer and stored on the shared drive.

It is 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.

### **3 Groups, Trips, Events and Holidays Finances**

Special interest groups, trips, events and holidays open to the whole membership are expected to be self-financing and should collect such sums of monies as the group members and the GO deem necessary to undertake the activities.

**Any residue funds of these groups, trips, events and holidays belong to the u3a and should not be returned to members.**

Should there be any unplanned deficit this will be covered from central funds provided the event was approved in advance by the MC, or the majority of the Trustees, before it was incurred.

Groups are permitted to make any necessary expenditure deemed necessary by the group members and the group organisers. Groups can withdraw money on request from ring fenced funds held by the Treasurer as appropriate.

**Note any equipment purchased by the group remains the property of Pembury u3a and should be included in the asset register.**

**When group funds are processed through a GO's private bank account, it should be noted that funds do not legally belong to Pembury u3a. If a GO were to pass away, or disappears, the funds would form part of their estate and be inaccessible by the members or trustees. Similarly, if a group suffers a deficit via a member's personal bank account, this cannot be guaranteed from u3a funds.**

Therefore, it is recommended that GO do not hold group funds in personal accounts. If a GO processes funds through a personal bank account this should not be more than £200.00. All group funds must be paid to the Treasurer at least every 3 months. If

funds are paid directly into the Pembury u3a account, an email must be sent to the Treasurer, informing them of this action.

For insurance and financial purposes GOs are asked to record attendance and monies paid at each meeting. A pro forma is available, from the Treasurer, to help with this if required.

Events such as theatre trips, and visits, as well as holidays, much be charged to members at full cost.

Out of pocket expenses can be paid to the organiser provided they are claimed as an expense and a receipt is provided.

Mileage costs to cover petrol when attending interest group visits to be reimbursed to the driver at £0.60 per mile.

Refreshment costs of £1.00 to be paid to host members when meeting in their own homes.

When groups do not comply with the requirements noted above, then the MC will review as to whether the group is legitimately operating in line with the insurance and financial requirements of TAT and the Pembury u3a.