

SHERBORNE U3A FINANCIAL POLICY

Version 4, Final, 18.1.24

Note: Throughout this document "the U3A" refers to Sherborne U3A. Where the UK National U3A needs to be mentioned it will be called "National U3A". The committee of trustees that manages the U3A is referred to as "the Committee".

1. Trustees' financial responsibilities

The trustees of the U3A are responsible for:

- safeguarding the assets of the charity,
- identifying and managing risks, including loss, waste, theft or fraud,
- keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts),
- ensuring that financial reporting is robust and of sufficient quality,
- preparing Annual Accounts in accordance with the governing document and relevant legislation,
- ensuring that the accounts 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 its 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 made available to members on the website and will also be given to all trustees on their election/appointment to the Committee.

This policy will be reviewed annually and revised as necessary.

2. Accounts

The U3A will maintain accounts on a receipts and payments reporting basis.

The U3A's financial year end is 31st August.

3. Banking

3.1 Bank accounts

All bank accounts are in the name of Sherborne U3A and are 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 Secretary, the Treasurer and one other trustee, or any other group of at least three trustees. Any change to the authorised signatories may only be made by a decision of the trustees, which must be minuted.

All cheques must be signed by two signatories, who are each responsible for examining the cheque for accuracy and completeness, and for examining the payment documentation (purchase invoice etc.) prior to signing the cheque. Similarly, all online payments must be authorised by two signatories, each responsible for examining the relevant documentation and ensuring the accuracy of the online payment.

The Treasurer should reconcile the online bank balance with the U3A's accounts on a regular basis, at least monthly, and record the result.

Blank cheques will never be issued, and blank cheques will never be signed by one signatory for a second signatory to complete later.

Whenever practical two people should be involved in counting cash receipts.

3.2 Use of bank cards

At this time the U3A does not allow use of a credit card or a bank debit card. Any change to this may only be made by a decision of the trustees, which must be minuted.

The U3A has approved the use of a card reader in order to receive payments made by debit or credit card. The card reader is to be held and maintained by the Treasurer. Other members may use the card reader after appropriate training.

3.3 Online banking

The U3A switched to online banking, with the prior minuted approval of the trustees, in September 2021.

4. Interest groups

4.1 General operation

It is the U3A's practice to subsidise hall hire costs for all interest groups that use such venues. The level of this subsidy is decided by the Committee and reviewed annually.

Apart from hall hire costs and the purchase of significant equipment, interest groups are expected to be self-financing and to collect such sums of money as the group members and leadership deem to be necessary to undertake their activities. At all times 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 using the ringfenced funds that they hold.

Application by groups for expenditure by the U3A on their behalf should be made in writing by group leaders and will be considered by the Treasurer and at least two other trustees.

All Group Leaders will provide the Treasurer with a summary of their income and expenditure for the financial year at or before the financial year end. Full documentation will be required to be provided for any single expense item over £50.

This will be done 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 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 appropriate cash floats.

Prior approval must be given by the Treasurer and at least two other trustees for equipment and other items to be purchased for the use of the 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 such equipment remains the property of the U3A, even though it is held and managed by a group leader.

The process by which facilities such as halls will be hired for groups will be decided by the trustees and communicated to group leaders by the Treasurer.

4.2 Receipts and payments

To manage the handover of cash and cheques to be paid into the 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, payable to Sherborne U3A, to be passed to the Treasurer, or by making direct bank transfers,
- where applicable receipt of payments from group leaders will be acknowledged by email,
- where net sums are being paid over the amount needs to be fully explained to the Treasurer in writing,
- funds held back for cash flow purposes should be proportionate to the group's activities.

The costs of halls used by interest groups will be paid in full by the Treasurer. It is the responsibility of Group Leaders to collect contributions from their group members to cover the balance of hall hire costs not paid by the U3A's subsidy, and to pass these contributions to the Treasurer in a timely manner.

Group leaders will normally make payments relating to other running costs, such as the costs of materials, from their interest group revenue.

The use of outside speakers and tutors should be agreed in advance by the Committee, and he or she must provide evidence of their self-employed status and invoice the U3A as agreed.

Such speakers and tutors should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer or arrangements made for the Treasurer to organise payment by direct bank transfer.

All invoices to be paid by the U3A must be issued in the name of Sherborne U3A.

Advance payment of hall hire costs is to be avoided in general, and is not permitted where the amount involved exceeds £500 and/or relates to an advance period of more than three months, unless exceptionally authorised in advance by the Committee.

5. Interest group activities

Special consideration needs to be given to any trip that involves overnight accommodation and/or foreign travel and such trips should be discussed with the Treasurer at an early planning stage, whether the trip is organised by and paid through the U3A or is paid directly by the members to an external trip organiser. The approval of the Committee must be obtained before any commitment can be made by a group leader.

Interest group events including theatre trips, visits and educational days out must be charged at cost and all participants must 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 any discount or free place 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 receive any pecuniary reward for organising an event.

The Committee (via the Treasurer) will monitor the income and expenditure of the groups. Group leaders need to provide regular information, as agreed by the trustees, to the Treasurer at least annually. Where groups do not comply then the Committee will consider whether the group is legitimately operating in line with the U3A's insurance and financial requirements.

6. Social activities

The U3A's social activities should be broadly self-financing over each financial year. The position will be monitored by the Committee, advised by the Treasurer.

7. Expenses

Out of pocket expenses incurred by volunteers who are involved with running the U3A will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the U3A bank account authorised signatories and no committee member should authorise their own claim. Expenses will include attendance at the Trust's AGM and

conference or at national/regional workshops provided such attendance has been approved by the Committee.

All claims need to be made in writing 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 Committee.

8. Membership fees and membership of more than one U3A

The membership fee is reviewed on an annual basis. The U3A is committed to keeping the membership subscription as low as possible to ensure that U3A membership remains accessible to all potential members. Application by those in receipt of state benefits to reduce or waive the annual subscription will be considered by the trustees with appropriate care and confidentiality.

For U3A members who can provide evidence of membership of another U3A, Sherborne U3A will reduce the cost of membership by the amount that is paid to the National U3A for each member.

9. Asset register

An asset register will be 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 by the Committee.

10. Reserves

The level of reserves that the U3A will aim to hold will be decided by the trustees based on the need to cover any debts or commitments that might arise if the U3A were to be dissolved, any special projects, any necessary equipment, year on year fluctuations and unexpected expenditure. Note that social activities are excluded from this consideration as these are broadly self-financing.

The target level of reserves will be reviewed by the trustees annually.

The target minimum level of reserves decided by the trustees is currently £4,000 at 31st August, excluding any membership subscriptions paid in advance for the year starting on the following 1st September.

The calculation of the actual reserve at any point will not include balances held by group leaders.

11. Payments to other charities

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

Sherborne U3A will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but will not pay direct to a nominated charity.

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Appendix: SHERBORNE U3A CANCELLATION & REFUND POLICY

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Cancellations made 7 days or more in advance of the event date will receive a 100% refund, unless we have had to incur costs that cannot be recovered or transferred to another participant. We will always aim to refund as much as possible without incurring a loss on your booking.

Cancellations made within 7 days of the event will not be entitled to a refund.

Transfer of your ticket/place to another member of Sherborne u3a is allowed at any time up to 24 hours before the event, but we ask that you inform us of the new participant's name. Note that it may not be possible to change any choices you have made, for example in selecting menu items for a meal.

If we are forced to cancel an event for any reason we will make refunds of the full amount paid less an allowance to meet any unrecoverable costs that have been incurred.