



## Collingham & District U3A – Financial Policies

### 1. Policies

Each u3a is required to set down its financial policies and procedures. This document defines the processes that Collingham & District u3a (hereafter referred to as ‘u3a’) 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 the u3a will manage all the organisations 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 the u3a are financially accountable for:

- Safeguarding the assets of the charity.
- Identifying and managing the financial 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 (e.g. Constitution) and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- 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 the u3a.

To enable the Trustees to carry out these responsibilities, the financial procedures below will be followed.

#### 2.2 The Treasurer’s Role

The Treasurer’s role for the u3a includes:

- Maintaining the financial records in accordance with the u3a’s published financial policies.
- Maintaining the financial records in accordance with the applicable charity law and statute.
- Managing the bank accounts in accordance with the financial policies.
- Preparation of accounts and budgets.
- Preparation of the annual accounts for the AGM, publication and filing.
- Ensuring that an Asset Register is maintained.

## 3. Banking

### 3.1 Bank Mandate

A separate bank mandate document has been developed and is referenced in Section 10. Authorised signatories are stated in the mandate.

### 3.2 Bank Accounts

- All bank accounts (including Group bank accounts, where applicable) are in the name of the 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.
- All payments must be approved by at least two signatories (one normally being the Treasurer).
- The authorised signatories shall be the Chair, Treasurer and Business Secretary. This responsibility may be delegated where circumstances dictate (e.g. holiday cover).
- 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).
- All bank statements must be available for the Treasurer.
- Blank cheques will 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 cash receipts.

### 3.3 Online Banking

Where online operation of the bank accounts is in place only Trustees and the Independent Financial Examiner approved by the Committee will have access to this facility.

The security of the online system is in line with the arrangements offered by TSB 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 is by logging on to the bank system with a personal password and access code.

### 3.4 Payment by Bank Cards

The u3a has a debit card obtained primarily for use when paying in cash to the main account. It may, with the prior approval of the Executive Committee, be used for purchases solely for the benefit of the u3a.

The use of this card 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 Executive Committee will predetermine the spending limits for any card; the limit may be per transaction, per day or per month.

Only the authorised user (the Treasurer) has access to the card; the card number and PIN or security code should never be disclosed to anyone else. The u3a does not have its own credit card.

### **3.5 Personal Debit or Credit Cards**

If a member has to use their own credit or debit card when arranging activities on behalf of the u3a 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.

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

Prior approval must be given by the Executive Committee for equipment and other items to be purchased for the use of 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. However, this process is discouraged and should be avoided if possible or minimised at least.

## **4. Accounts**

### **4.1 Group Finances**

While this section is titled Group Finances the following policies will apply to activities that are organised for the u3a'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 the u3a.

Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership and can withdraw money on request to the Executive Committee from the ringfenced funds held by the u3a 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:

- 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.
- Allow group leaders to maintain cash floats. Such cash floats should not exceed £50.

Items that may be excluded from Group finance reporting include:

- Any lunches or meals out, which are not part of the core group activity do not need to be reported, as they are not deemed to be u3a activities.
- Holidays booked directly through a travel agent/tour company/hotel with individual members paying the provider direct. If it is easier, the organiser can collate and post the individual cheques to the provider.

Requests for expenditure from groups should be limited to the funds held within the group's reserves. Should expenditure in excess of group reserves be necessary, then this must be authorised by the Executive Committee.

Should a u3a group be discontinued, any funds assigned to that group will be transferred into the u3a general funds.

Guidelines for financial management of groups may be found on the u3a website along with examples of group accounting record completion.

### 4.3 Receipts

To manage the handover of cash and cheques to be paid into the u3a bank account the Executive Committee has decided that:

- Bank paying in slips will be given to Group Leaders for this purpose if requested.
- Group Leaders may 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 Leaders, or acknowledged by email.
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer by a receipts and payments statement.
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity).
- Cash payments directly into the TSB account now require the use of a u3a debit card which is held by the Treasurer. If any cash deposit is necessary, the Treasurer should be contacted for assistance.

### 4.4 Payments

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

- When a trip or event is organised by and paid through the u3a.
- 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 u3a.
- When payments may be deducted from activity revenue.

- When payment for venues, coaches, tutors, speakers etc. must be paid by the u3a (the Treasurer).

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

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.

## 5. Statutory Reporting

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for the u3a is the Charity Commission for England & Wales. Further information can be found on the Trust website in Finance Matters – Guidance (see References).

## 6. General Reporting

The Treasurer is responsible for maintaining financial records and will submit regular (e.g. monthly) accounts to the Executive Committee. Accounts will be kept on a payments and receipt basis except for any advance membership payments accrued prior to the new membership year.

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

## 7. Reserves

The u3a aims to keep a level of reserves of £3,200 (including ring-fenced group reserves) that will cover approximately 6 months of regular operating activity and provision for larger one-off expenses. This is considered by the Executive Committee to be 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.

The u3a 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 the u3a will be reimbursed. Expense claims must be submitted with receipts using the Expense Claim Form, available on the website. Authorised signatories are stated in Section 3.1. No committee member should authorise their own claim.

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

## **8.3 Membership Fees and Membership of More Than One u3a**

The u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

The u3a currently offers a single person membership on a yearly basis, commencing in April. For members joining after more than 6 months of the membership year have elapsed, a reduced membership fee is payable for the remainder of that membership year.

The u3a also offers an 'Associate Membership' class for u3a members who can provide evidence of membership of another u3a.

The membership fees will be reviewed on an annual basis.

## **8.4 Asset Register**

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location. The register will be reviewed annually.

Assets will be written off in their first year when using a Receipts and Payments system.

## **8.5 Gift Aid**

The u3a does not currently offer Gift Aid to its members although the Executive Committee have agreed that this shall be investigated with a proposed introduction date of 2026. This section will be updated once a final implementation decision has been made.

## **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

The u3a has as its prime consideration that it is merely holding money on behalf of its members. While the u3a should seek to obtain the best investment returns available, the security of funds takes precedence over returns on investment.

Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF).

These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee (currently limited to £85,000 per institution).

The COIF is not covered by the FSCS guarantee, however, has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.

No investments will be made into stocks, shares, gilts, or bonds as the risk level would be too high.

All individual investments must be approved by the Executive Committee.

The investments should be reviewed annually by the Executive Committee, as part of the fee setting process to take account of changing economic conditions.

## 10. References

The u3a has other financial documents in place. These are:

- Finance Matters – Guidance (u3a-KMS-DOC-033)
- TSB Bank Mandate dated 16 April 2025
- Guidelines for Financial Management of Groups rev. dated November 2025

<b>u3a</b>	<b>Financial Policy</b>	<b>Collingham &amp; District u3a</b>
Version	Description of changes	Date
1.0	Initial issue	12/2025
	Review date DEC 2028	