

Reading u3a Finance Policy

Purpose

The Finance Policy sets out the principles and practices to be followed by Reading u3a in order to ensure that its money is only spent on what is allowed by the charity's constitution and policies. The aim is to enable Reading u3a's trustees to ensure that money coming into the charity is secure and recorded, only spent on the agreed charitable purposes and at less risk of theft, fraud or cyber crime.

Context

Charities are required to determine their financial controls in a Finance Policy. Charity trustees must take steps to ensure that their charity's money is safe, properly used and accounted for. Even if the charity has an expert to manage its finances, trustees are still responsible for overseeing their charity's money. To enable the trustees to carry out these responsibilities, the policy sets out a set of financial procedures to be followed.

Principles

Through the policy, Reading u3a trustees can demonstrate that

- money is only spent on what is allowed by the constitution and policies, using internal financial controls to help achieve this
- there is a reserves policy which explains whether Reading u3a is aiming to keep a reserve of unspent income, what it will be used for and why this is reasonable
- there is an expenses policy which sets out what is classed as an expense and how to claim and approve expenses
- trustees cannot receive any payments or benefits from Reading u3a other than reimbursed expenses, unless the constitution allows it
- there is zero tolerance of fraud, bribery and corruption.

The trustees 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
- ensuring financial records are kept in accordance with the constitution and relevant legislation
- preparing annual accounts in accordance with the constitution and relevant legislation
- ensuring the accounts show a true and fair view of the state of affairs of Reading u3a.

Procedure

Banking

- All bank accounts will be in the name of Reading 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 Treasurer and at least two other trustees. This responsibility cannot be delegated.
- All cheques and online payments must be authorised by two signatories.
- The signatories are responsible for examining the cheque or online payment for accuracy and completeness.

- The signatories are 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.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.
- Where online operation of the bank accounts is in place, only signatories, as approved by the committee, will have access to the main account. Other members authorised by trustees may have view-only access to the social fund.
- The security of the online system is in line with the arrangements offered by the bank and in accordance with the mandated approval limits.

Managing activities

- Interest groups are not expected to be self-financing other than for activity-specific expenditure such as refreshments, coach trips, theatre tickets, speakers or tutors.
- Where an activity requires its own budget the committee may agree to appoint a budget holder who has responsibility for accounting to the committee for the use of the funds.
- Convenors can collect such sums as the group members and leadership deem to be necessary to undertake their activities.
- The Treasurer, Group Co-ordinator and Convenor will agree what records of the group's transactions are to be kept 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.
- Permission must be sought from the committee where a group feels that personal credit or debit cards are the only viable way to make payments.
- Prior approval must be given by the committee for equipment and other items to be purchased for the use of the u3a or specific interest groups, taking into account the health and safety of members. 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. The equipment will be owned by Reading u3a and added to the asset register.
- Where the committee has agreed that a group requires expertise which can only be provided by a paid tutor, the group must take full responsibility for this and the cost must be covered and paid by the group members directly. The tutor must provide evidence of self-employed status and insurance and the convenor must record that this has been checked annually
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer.
- The committee (through the Treasurer) will monitor the income and expenditure of the groups. Convenors will provide regular information, as agreed, to the Treasurer. Where groups do not comply then the committee will review whether the group is legitimately operating in line with the insurance and financial requirements.

Payments for events: the 'social fund'

- The 'social fund' bank account exists specifically to hold members' payments for activities such as theatre tickets temporarily. Although managed by the u3a committee (through the Treasurer), the funds held in the account belong to the members, not the u3a.
- Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership. Members should pay in advance. Convenors can be reimbursed and withdraw money on request from the ringfenced funds held on their behalf, as appropriate.

- The committee will inform relevant convenors as to the approved process for payments relating to when payment for venues, coaches, tutors, speakers etc may be deducted from activity revenue and when paid by the u3a.
- 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.

Payments to guest speakers

- Outside speakers should be asked to state their fees (for non-u3a speakers) and any travel costs at the time of booking and payment made by the Treasurer.
- Reading u3a will make agreed payments directly to speakers who are not members of a u3a. Where the speaker intends to donate their fee to a charity, Reading u3a will make the payment to the speaker and not direct to their nominated charity.

Paying in

- To manage the handover of cash and cheques to be paid into the Reading u3a bank account bank paying in slips will be given to group leaders for this purpose.
- Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts will be given to group leaders, or acknowledged by email.

Expenses policy

- Out of pocket expenses incurred by the volunteers who are involved with running Reading u3a will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by two signatories. Expenses may include – with committee approval – attendance at the Trust's AGM, annual conference or national/regional workshops.
- All claims need to be made on the appropriate form (to be provided by 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 reimbursed.
- Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the committee.

Membership fee

- The membership fee is reviewed by the committee annually. Reading u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

Asset register

- An asset register is maintained by the Treasurer which records all assets held which are of saleable value including their initial purchase price, date of purchase, estimated nominal value and location.
- All assets are fully written off against receipts in the year of purchase.
- The committee reviews the register annually.

Reserves

- Reading u3a aims to keep a level of reserves that will cover one year of regular operating activity. The committee will review this annually in the light of commitments and risks.
- Social fund activities are excluded from the figure for reserves as they are fully reimbursable.

Roles and responsibilities

The committee has responsibility for overseeing the implementation of this policy and delegates to the Treasurer its day-to-day operation.

Trustees are jointly responsible for keeping full financial records of Reading u3a and all the interest groups, sub-groups etc., where appropriate. A copy of this policy will be given to all trustees on their election or appointment to the committee and made available to members on the website.

Monitoring and review

The Treasurer reports to the committee on a monthly basis. This provides the committee with an opportunity to monitor policy implementation.

The policy will be kept under review and revised as necessary whenever Charity Commission financial regulations change.

Adopted by Reading u3a on: 19 August 2024

Review date: May 2025