

Financial Policy



1. Purpose

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls, or Financial Policy. A Financial Policy may simply be a documentation of the current unwritten procedures of a u3a, from which a more detailed policy may evolve.

This policy is drawn up based on a Third Age Trust template with Midhurst u3a’s current procedures incorporated.

Where applicable “trustees” includes Board of Trustees /Board of Directors or Committee members.

2. Trustees’ financial responsibilities

The trustees of Midhurst u3a 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.
- Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation.
- The accounts should 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 Midhurst u3a and all the interest groups, sub-groups, events 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 given to all trustees on their election/appointment to the committee and made available to members on the website.

The policy will be kept under review and revised as necessary.

3. Banking

3.1. Bank accounts

- All bank accounts are in the name of Midhurst u3a and operated by the trustees.
- Two accounts exist, both with Lloyds Bank – a current Charity account which incurs no charges and Commercial Instant Access Instant account which earns interest and is therefore considered as Investment for the purposes of this Policy.
- New accounts may be opened only 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.
- Operation of the banking system is under the control of the Treasurer as agreed by the committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate.

- Access to the accounts on-line is via a card reader and personal access card or by logging on to the bank system with a personal password and access code/User ID.
- The trustees authorised to operate on-line banking are John White (Treasurer), Peter Moss (Business Secretary), and Jeannine Murphy (Membership Secretary/Deputy Treasurer). These responsibilities cannot be delegated.
- All cheques must be signed by two signatories and all on-line payments be dual authorised by the operating trustee and one other trustee but signatories or authorising trustees may not sign cheques for nor authorise payments to themselves.
- The signatories are responsible for examining cheques for accuracy and completeness.
- The signatories/trustees are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an on-line transfer.
- All bank statements must be sent to the Treasurer directly.
- Blank cheques will never be issued nor be signed by one signatory for a second to complete later.

3.2. Payment by bank cards

The issue of a bank debit or credit cards in the name of Midhurst u3a has not yet been implemented but if felt necessary will be considered by the committee.

3.3. Personal debit or credit cards

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

4. General financial operation

4.1. Payments to other charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Midhurst u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity or direct to their nominated charity following written instruction to this effect from the speaker.

4.2. Expenses

Out of pocket expenses incurred by the volunteers who are involved with running the u3a will be reimbursed. Expense claims should be submitted to the Treasurer with receipts or scans thereof and be made in writing either by email or on the appropriate form (copies available from the Treasurer and on the Midhurst u3a website) giving sufficient detail as to the nature of the expense.

Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

Expense claims for travel should reflect the cheapest 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.

4.3. Membership fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Midhurst u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

Midhurst u3a does not currently offer a system whereby the membership fee can be adjusted for those who can provide proof of benefits received but will consider this if the need arises.

For u3a members who give the name of another u3a to which they pay a full subscription Midhurst u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

4.4. 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.

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.

4.5. Reserves

Midhurst u3a aims to keep a level of reserves that will cover at least six months of regular operating activity. This is considered by the committee a reasonable level for this type of charity. The finances of groups are excluded from this figure as they are ring-fenced.

4.6. Purchases

Prior approval must be given by the committee for equipment to be purchased for the use of Midhurst 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 invoices must be issued in the name of Midhurst u3a.

4.7. Receipts

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

Cheques and cash should be passed to the Treasurer for banking as soon as possible using the appropriate form (copies available from the Treasurer and on the Midhurst u3a website) giving sufficient detail as to what the receipts are for. The current Membership Secretary has the facility to pay cheques into the current account directly via a mobile phone.

4.8. Gift Aid

As Midhurst u3a is a registered charity it may request members to allow it to claim Gift Aid on their subscriptions.

5. Groups' and other activities' finances

(See also the latest Handbook for Group Leaders)

Interest groups, outings, and other events are expected to be self-financing. The leaders/organisers can collect such sums of money as they deem to be necessary to undertake their activities. These funds belong to the u3a. Leaders/organisers are permitted to make any expenditure deemed necessary and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf, as appropriate. The Treasurer and leaders/organisers need to agree what records they need to keep 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 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 leaders/organisers to maintain cash floats.

The committee (via the Treasurer) will monitor the income and expenditure of the groups and activities. Leaders/organisers need to provide regular information, as agreed, to the Treasurer. Where this is not

complied with the committee will review as to whether the group or activity is legitimately operating in line with the insurance and financial requirements.

Outings such as theatre trips, visits or educational days out and social or other events such as lunches and study days must be charged at cost and all participants pay appropriately.

Leaders/organisers must not benefit from any discount (e.g. a free place) offered by organisations providing the event or services for it (eg. coach hire companies, theatres or other venues). The value of free places must be shared out among all participants.

Out-of-pocket expenses can be paid to a leader/organiser out of the money collected for the activity. As all u3a members offer their services free to the movement, the leader/organiser(s) must not normally get any pecuniary reward for organising an activity.

5.1. Receipts

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

- Bank paying in slips will not be issued. Leaders/organisers should pass cheques and cash to the Treasurer as soon as possible, using the appropriate form (copies available from the Treasurer and on the Midhurst u3a website) giving sufficient detail, such as group, outing or event name.
- Where applicable receipts will be given to leaders/organisers or acknowledged by email if requested.
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer.
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity).

5.2. Payments

The committee will inform relevant leaders/organisers as to the approved process for payments relating to:

- When a trip is organised by and paid through the u3a or paid directly by the members to the trip organiser.
- When payments may be deducted from activity revenue:
 - Venues
 - Coaches
 - Tutors
 - Speakers
 - Other

Outside speakers should be asked to state their fees and any travel costs at the time of booking and an invoice issued to the Treasurer.

Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

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