

Thrapston & District U3A – Finance Policy

Registered Charity Number: 1179593

Purpose of the Policy

- To provide a well-documented framework for the control of receipts and payments of Thrapston & District U3A, enabling a smooth transition of responsibilities in succession planning
- To ensure U3A funds are managed in accordance with this document and direction from U3A Central Office and abide by the latest Charity Commission regulations.
- To ensure all Trustees are kept informed of receipts and payments
- To identify the need for specific projects and allocate or apply for funds accordingly
- To ensure that all members with Group responsibilities understand the need for accurate record keeping.
- To provide the data for our Auditors, John Essam & Company, to prepare the Annual Report which will be presented at the AGM on the 3rd Friday in May. The report will be posted to the Thrapston & District U3A website. The Auditor will submit the report to the Charities Commission.

1. Committee of the Trustees

1.1. Authorisation:

Any Thrapston & District U3A bank accounts will be managed by the Treasurer, with Bank Statements being sent to the Treasurer.

- All payments will be made by Cheque or Bank Transfer (BACS).
- Cheques must be signed by 2 of the 4 designated Trustees (Chairman, Vice Chairman, Business Secretary and Treasurer).
- Bank Transfer payments will be raised by the Treasurer and authorised in accordance with the Bank Mandate.

The authorisers are responsible for examining the payment documentation to ensure payment is authentic. All invoices must be in the name of Thrapston & District U3A.

No Direct Debit or Standing Orders are to be set up without Committee authorisation.

No Debit or Credit Card are to be issued without Committee authorisation.

- 1.2 Receipts & Payments:** details of all receipts (income) and payments (expenditure) will be recorded in the format preferred by the treasurer in post at the time. There should be enough analysis to show the breakdown of both receipts and payments. An up to date balance sheet and bank reconciliation should be presented to the monthly committee meeting and recorded in the minutes.

- 1.3 Delegation to the Treasurer for expenditure:** The treasurer has delegated authority to pay regular invoices for the hire of halls and up to £50, without committee approval, if it is considered reasonable.

- 1.4 **Expenses Policy:** The expenses policy identifies the items that can be claimed and the rates of payment. This is reviewed annually when the budget for the forthcoming year is discussed.
- 1.5 **Reserves:** There should be at least 12 months' running costs kept in reserves to ensure there is adequate cash flow to meet costs. If there is more than this amount consideration should be given to the funding of projects which would benefit the members.
- 1.6 **Spending Review Budget:** At the December committee meeting, Trustees should review the income and expenditure of the previous year and the current year in order to create a value for money budget for the forthcoming year. They will be required to decide on allocations for specific functions, e.g. budget for speakers, newsletters etc. and then determine income required in order to set the membership subscription.
- 1.7 **Grants for Groups:** A group may request a grant for equipment that will enhance their group. This request should be submitted to the Committee for a decision. This will not be for consumables. A newly formed group can apply for a £25 Start-up grant.
- 1.8 **Projects:** Any projects identified for potential development under the Spending Review, should be discussed and costs estimated. Estimates / quotations will be required before proceeding for amounts over £100.
- 1.9 **Capital Expenditure:** any items costing more than £100 should be discussed to determine overall benefits and value for money and this should be minuted.
- 1.10 The Committee should prepare a document specifying what is required to be quoted for. This needs to be supplied to all prospective providers.
- 1.11 **Contracts / Products / Services less than £100:** Where the contract is valued below £100, at least one written quotation should be sought. A value for money is a primary objective, the Committee may decide to seek more than one quotation to fulfil this objective. The quotation must include: a description of the goods, service or works to be supplied, where and when they will be supplied, the value of the requirement and the payment terms.
- 1.12 **Contracts / Products / Services more than £100:** Where the contacts / products / services are above £100, at least three written quotations must be obtained. The quotation must include: A description of the goods, services or works to be supplied, where and when they will be supplied, the value of the requirement and the payment terms. Where fewer than three potential suppliers can be identified, the Committee must keep a written record of the reason and all potential suppliers should be invited to quote. An order can be placed even if fewer than three quotations are received even when three or more suppliers have been invited to quote.

- 1.13 Quotations Submission:** can be submitted in written format or by email in PDF format.
- 1.14 Records:** The Business Secretary should keep copies of all quotations and copies of any communication between the U3A and the successful bidder.
- 1.15 Contract Award:** Details of awarding of the contract should be agreed by the Committee and recorded in the minutes. The successful and unsuccessful suppliers should be notified simultaneously of the decision by the Business Secretary.
- 1.16 Gift Aid Scheme:** Although we are not participating currently, this should be considered annually at the Spending Review Budget setting meeting.
- 1.17 Trips, Visits and Social Activities:** These are defined as any activity organised by a group and for the group which requires the collection of monies from members of any U3A and the payment to any party supplying goods or services. This shall include theatre trips, historical visits, any activities organised for any member of the Thrapston & District U3A.

No activity should run at a loss and it is necessary for care to be taken to ensure this. If an activity results in a deficit, the participants may be asked to pay an extra amount to cover the deficit; if the activity results in a surplus, the group leader / organiser shall decide whether to offer this to the participants pro rata or to deposit it in the groups "restricted" fund; a deficit of less than £1 each need not be collected and a surplus less than £2 need not be refunded.

- 1.18 Monies received from Group Leaders:** in the form of cash / cheques shall be handed / delivered to the Treasurer with the group leader recording details on the paying-in slip provided by the Treasurer. Receipt of this will be acknowledged, and the amounts shall be recorded on the Treasurer's relevant group accounts.
- 1.19 Invoices:** All payments should be made by the Treasurer against a pro- forma invoice from the supplier or provider. Payment should be made by BACS where possible. If payment is required on the day, then a receipt from the supplier / provider must be obtained, identifying their name, details of what has been supplied or provided, date and amount paid on the pro-forma available from the Treasurer. Gratuities, such as coach drivers' tips do not need this receipt and the money will be paid by cash.

If a member has to use their own credit or debit cards when arranging activities or purchases on behalf of the u3a, the transaction should be agreed by the Trustees before the member incurs the expense. These transactions (or expenses) will be reimbursed on receipt of an expenses claim.

1.20 Social Activities: Activities 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 (i.e. drivers' tips). The organiser of the activity must not benefit from a discount (e.g. a free place) offered by the organisation providing the activity. The value of the discount must be shared out amongst all participants to the activity.

2. Group Leaders (GL) Accounts – our guiding principle for the following is based on our appreciation and respect for the work you put into making your groups interesting, informative and above all enjoyable. We want you to continue to do what you do now but we need to protect your interests: as a Charity we are all responsible and accountable to our stakeholders.

Group Leaders are reminded that all U3A accounts may be subject to scrutiny from:

- **Our Auditors at the end of the Financial Year**
- **Third Age Trust Central Office**
- **Charities Commission**

To this end, we must ensure that we have an audit trail to verify any income and Expenditure

Primarily, this is for the protection of Group Leaders: we would not want any leader to be put in a position where they cannot justify income and expenditure for their group from the sources above.

GL's can record their income and expenditure in any way that suits them. Sample formats and help are available from the Treasurer. GL's will be sent copies of the details held by the Treasurer twice a year and confirmation that it agrees with GL's accounts will be requested. At the end of the financial year, GL's will be asked to submit their accounts, together with a summary showing total income, total expenditure and balance carried forward. GL's will be asked to submit details of any equipment held in order to update the Assets Register.

2.1 Venue Hire: If it's necessary to book a venue for group meetings, the GL should contact the Treasurer, as all rental agreement shall be signed by a Trustee. The Treasurer will provide the GL with a copy. For regular bookings, the GL should inform the Treasurer of any changes, taking into account the contractual details, who will advise the venue's administration. The Treasurer will then pay any invoices that are due from monies paid by the GL.

2.2 Cost to members: all groups should be self-funding, and costs shared between its members.

2.3 Level of funds as reserves: the GL may keep a reserve to ensure that venue costs

are met. GL's are advised to ensure that members pay their contributions to the venue costs regardless of attendance. GL's are advised to take action if their level of reserves increases to more than the cost of three further meetings. This action could be:

- Having a "free" session
- Depositing any excess into the groups U3A account: any deposits will be classed as restricted funds and could only be used for that specific group.

GL's are reminded that they should not be holding large amounts of cash (more than £50) nor should they be depositing group monies into their personal accounts or setting up a bank account for the group.

This is purely for GLs' protection as the funds may not be covered by the U3A insurance and, therefore, the Committee cannot accept any responsibility should they be lost or stolen.

2.4 Special Activities within Groups: If a GL arranges an outing or activity to enhance the group's activities, the monies collected should be deposited with the Treasurer for safe keeping. On request, the Treasurer will pay any costs involved, provided there are sufficient cleared funds in that account.

2.5 A one-off visiting speaker/tutor: may be considered if group funds permit (consult Treasurer for advice). If the speaker is a member of any U3A, they cannot be paid but reasonable expenses can be paid. Invoices should be paid by the Treasurer.

3. Asset Register

The Treasurer maintains the Asset Register detailing descriptions and purchase price of any items of equipment for the Committee or groups. This register is updated and submitted to our Auditors as part of the end of year obligations.

3.1 Details of equipment held: details of the item, serial number, purchase price are recorded.

3.2 Value of equipment held on straight-line depreciation.

As our finances are reported under a receipts and payments reporting system, all assets are fully written off against receipts in the year of purchase.

3.3 Location of Equipment purchased on behalf of U3A: Should a GL who holds equipment changes, the nominated Equipment Officer should be advised who the equipment will be passed to, in order to maintain the Equipment Register.

3.4 Identification of Equipment held by Group Leaders: Any GL's holding equipment should ensure that it is clearly labelled as U3A equipment (labels available from the nominated Equipment Officer). GL's are reminded that any equipment purchased from U3A funds is the property of the U3A and not the group holding them.

- 3.5 Loss Damage or Theft:** GL's are responsible for the safekeeping of equipment in their possession. Should loss or damage occur, the nominated Equipment Officer and the Treasurer should be notified as soon as possible. Depending on the circumstances, the item may be covered by the GL's household insurance.

4. Charities

- 4.1 Payment to other Charities:** In line with charity law, the U3A cannot raise funds for another charity that does not have similar charitable objectives. Thrapston & District U3A will make payments to speakers who indicate that they intend to donate their fee to a specific charity but not direct to their nominated charity.

5. Membership

- 5.1 Membership fees:** Annually, as part of the budget setting process, the Committee will determine the amount due to be paid by each member. Fees can be paid by Bank Transfer, Cash or Cheque.
- 5.2 Dual Membership:** Thrapston & District U3A do not offer dual membership discounts to members of another U3A. This will be reviewed annually at the Spending Review.