



Finance Policy 2023

Policy adopted at Waterloovilleu3a committee meeting 20th September 2023

Amendment 1: Page 8 Financial Assistant changed to Assistant Treasurer, Committee meeting 15/11/23

1. Trustees' financial responsibilities

The trustees of Waterloooville 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 documents and relevant legislation (e.g. Charities Acts, Companies Acts, and HMRC).
- Preparing Annual Accounts in accordance with the governing documents and relevant legislation.
- The accounts should show a true and fair view of the state of affairs of the U3A on a receipts and payments basis.

Trustees are jointly responsible for keeping full financial records on a receipts and payments basis. These include those of Waterloooville U3A (WU3A) and all its interest groups, 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.

2. Banking

2.1. Bank accounts

- All bank accounts are in the name of Waterloooville U3A and operated by the trustees.
- New accounts may only be opened by a decision of the trustees, which must be minuted.
- The current bank mandate is defined in Appendix A.
- The mandate shall be reviewed by the trustees whenever a signatory resigns his role, ceases to be a trustee or when a proposal is made to appoint an additional trustee as signatory.
- Changes to the bank mandate may only be made by a decision of the trustees, which must be minuted.
- The signatories are responsible for examining any cheque that they issue or countersign for accuracy and completeness.
- The signatories are responsible for understanding the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an electronic transfer.
- All bank statements must be sent by the Bank to the Treasurer directly.
- Reconciliation of the bank statements with WU3A accounts should normally be carried out monthly.
- Blank cheques will never be issued nor will blank cheques be signed by one signatory for a second to complete later.
- Two people should be involved in counting cash receipts.

2.2. Online banking

Where online operation of the bank accounts is in place only trustees approved by the committee will have access to this facility. The security of the online system is in line with the arrangements offered by NatWest Bank and in accordance with the mandated approval limits.

Although the Bank permits a single signatory to make on-line BACS payments, the limits that apply for cheque signature in the mandate, shall be adhered to. For amounts in excess of those permitted over a single signature a counter signature must be obtained. *This authorisation can be by e-mail agreement from a trustee and will be attached to the relevant invoice.* 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 delegated rights, as agreed by the committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate.

2.3. Personal debit or credit cards

Permission must be sought from the committee where a group feels that there is no other 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 Waterloo 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. Actions in accordance with latest approved edition of the document "Financial Matters for WU3A Group Coordinators" are deemed to have been approved by the committee.

3. Groups' finances

3.1. Principles

Interest groups are expected to be self-financing and can collect such sums of money as the group coordinators deem to be necessary, with support of group members, 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. The group coordinator may request withdrawal of money from the ring-fenced funds held by Waterloo U3A that is ring fenced for the interest group.

The Treasurer, Groups Treasurer and Group Co-ordinator need to agree what records need to be kept of the group's transactions to:

- Allow the Groups 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 coordinators to maintain cash floats.

3.2. Money collected within Groups

To manage the handover of cash and cheques to be paid into the Waterloo U3A bank accounts the committee has decided that:

- All monies collected by Group Coordinators shall be passed to the Groups Treasurer for paying into the bank and for maintaining records of the funds ring fenced for the groups
- Group Coordinators may forward such monies collected, by hand or by mail to the Groups Treasurer. Cash shall not be sent by regular mail but it is permitted, solely for security in transit, for Group Coordinators to deposit the cash in their personal bank account and immediately issue a personal cheque payable to Waterloo U3A
- Where net sums are being paid over this needs to be fully demonstrated to the Groups Treasurer.
- Cash retained for cash flow purposes will be within the Waterloo U3A's approved limits.

3.3. Payments proposed by Group Coordinators

The committee will inform Group Coordinators as to the approved process for payments as covered by the latest approved edition of the document "Financial Matters for WU3A Group Coordinators".

Wherever practicable, any invoices or receipts should be in the name of Waterloo U3A.

Outside speakers should be asked to state their fees and any travel costs at the time of booking and to provide their bank details to enable payment by Bacs. A cheque can be provided if requested in advance. Where the committee has agreed the use of a paid tutor, they must provide annual evidence to the Group Liaison Officer of their self-employed status and invoice the U3A as agreed.

The committee (via the Groups Treasurer) will monitor the income and expenditure of the groups. Group Coordinators need to provide regular information, as agreed, to the Groups Treasurer. Where groups do not comply then the committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

3.4. Dispersal of Group's Funds held when a group closes

In general, any remaining funds held either in the group ledger or held by the GC, when a group is closed, being the general property of Waterloo U3A, is transferred to the main U3A account as a contribution for all WU3A activities.

Exceptionally, where specific payments have been contributed to the group by identified group members as a pre-condition of participation in planned activities, an appropriate refund may be considered to be given to those group members, limited to the extent that those activities did not occur for reasons beyond the control of WU3A. (No refund will be considered to an individual who could not attend one or more activities for personal reasons.)

3.5. Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants pay appropriately. 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.

As all U3A members offer their services free to the movement, the organiser(s) must not receive any pecuniary reward for organising an event.

3.6. Payments to other charities

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

3.7. U3a Events involving cash

Collection of cash at events must be overseen by two responsible members.

Receipts/Invoices must be obtained from third party suppliers.(SEE PAGE 9)

A statement relating to the event showing income and expenditure must be completed and signed by two responsible members.(SEE PAGE 8)

4.Reclaiming expenses

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. Expense claims will be authorised by the executive committee and no committee member should authorise their own claim. Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

All claims need to be made on the appropriate form (copies available from the WU3A Treasurer or from the "Members' Area" of the WU3A Web Site) 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 may 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 executive committee.

5 Membership Fees and Membership of more than one U3A

The membership fee is reviewed on an annual basis. Waterloo U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members.

There is no reduction for membership of another U3a

6 Asset register

An asset register is maintained by the WU3A Treasurer which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location. The residual valuation of each item is to be depreciated uniformly over 5 years

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 for accounting purposes.

The register is to be updated and reviewed annually.

7. Reserves

Reserves should be held for the following situations:

- Running costs to allow a managed closure of Waterloo U3A
- Unforeseen capital costs for replacement of equipment
- Development plans
- Uninsured liabilities and legal costs
- Inflation beyond that assumed in budget
- Unforeseen increased in operational costs

So long as Waterloo U3A is not party to any financial commitments (such as leases with third parties) in excess of 2 months, the level of reserves maintained at the start of each financial year should be computed as at least 3 months net expenditure on main account expenditure items. (Social account expenditure is not considered as social and group activities are self-funding.) This is computed annually as 25% of most recent accounts relevant net main account expenditure. This should be computed annually on the basis of the latest accounts and the actual financial level set by Trustees and recorded in Minutes and shall be used for budgetary purposes.

Appendix B shows the actual calculation deriving the current level of reserves and the recent level agreed by Trustees. This should be reviewed and updated annually.

Appendix A

Details of Bank Mandates

Waterlooville U3A operates four NatWest Bank Accounts all with sort code 55-70-34 as follows:

- 80851177: Waterlooville U3A Community Account, known as "Current a/c"
- 80851185: Waterlooville U3A Business Reserve Account, known as "Deposit a/c"
- 80857396: Waterlooville U3A Community Account known as "Social a/c"
- 87749807: Waterlooville U3A Community account, known as "SUBS a/c"

The following Trustees are authorised signatories

Chair

Treasurer

Groups Treasurer

Assistant Treasurer

The signatories are mandated as follows

Any one of these may sign cheques on any account for payments up to £300.

Payments by cheque over £300 require two signatures.

Payment by BACS over £300 requires written authorisation by another trustee.

Appendix B

Reserves for future year

From the Annual accounts for 2022-2023 the following Main Account expenditure items show net expenditure (rounded to nearest pound) is as follows:

Expenditure item	Amount (£)
U3A fees	5674
Venues	2091
Grants and allowances	522
WU3A Events	3258
Networks and Travel	128
IT	1363
Stationery, post, printing	1155
Refreshments	119
Speakers	760
Equipment	137
Sundries	366
Storage	720
Total in year	£16,293

3 months at this expenditure rate (i.e. 25% of this annual total) is £4073 and the reserves maintained for 2023-2024 should exceed this figure.

EVENT ACCOUNTING SHEET

EVENT:

DATE:

INCOME	£
TICKETS	
OTHER INCOME	
TOTAL	
EXPENDITURE	
PRIZES	
OTHER	
TOTAL	
BALANCE TO TREASURER	
SIGNED	

THIRD PARTY CASH RECEIPT

RECEIVED FROM WATERLOOVILLE U3A THE SUM OF £.....

FOR PROVIDING

SIGNED.....

DATE.....

NAME OF SUPPLIER.....