

# FINANCE POLICY

## 1 Policies

This document defines the processes that Limebrook u3a will use for its financial matters. The policy will be kept under review (at least every 3 years) and revised as necessary.

The policy is part of the governance arrangements and it sets out the financial framework and principles within which the Trustees of Limebrook 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 Limebrook 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 (eg 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.

Trustees are jointly responsible for keeping full financial records. These include those of the u3a and all the interest groups, sub-groups etc., where appropriate. To enable the Trustees to carry out these responsibilities, the financial procedures detailed below will be followed.

A copy of this document will be given to all Trustees on their election/appointment to the Committee, and made available to members on the website.

### 2.2 The Treasurer's Role

The Treasurer's role for Limebrook u3a includes:

- To oversee the finances of Limebrook u3a in line with good practice and in accordance with the u3a's governing document (constitution), the wishes of the board (the committee) and charity legislation.
- To take day to day responsibility for the u3a's finances.
- To provide regular reports to the Committee on the financial position of the u3a.
- To ensure the financial resources meet the present and future needs of the u3a.
- To ensure effective measures, controls and procedures are put in place which are appropriate to the u3a and will safeguard assets and ensure financial security.

- To be instrumental in the development and implementation of appropriate financial, reserves and investment policies in line with the charitable objects/purposes of the u3a.
- Manage communications and returns with the HMRC for any Tax returns and the submission of Gift Aid claims.
- Manage communication with the Charity Commission in respect of online submissions of annual accounts and maintaining / updating the online register of Trustees

### 3. Banking

#### 3.1 Bank Accounts

- All bank accounts (including Group bank accounts, where applicable) are in the name of Limebrook 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 [select one from Chair, Vice Chair, Secretary and Treasurer and/ or other Trustees]. 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.

#### 3.2 Online Banking

Where online operation of the bank accounts is in place only Trustees approved by the Committee will have access to this facility (as above, at least two). The security of the online system is in line with the arrangements offered by NatWest Bank plc 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 Committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate. Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.

### **3.3 Payment by Bank Cards**

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 committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate. Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code. The issue of any bank debit or credit card in the name of Limebrook u3a will be approved by the Committee. The use of these cards 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 Committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

Cards will be held by the Treasurer and/or an authorised Trustee. All transactions made using these cards appear immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers through the online banking service. All such payments must be supported by an invoice or receipt made out to Limebrook u3a.

### **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 Committee or Treasurer 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 Limebrook 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.

## **4 Accounts**

### **4.1 Group Finances**

The 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 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 organiser and can withdraw money on request from the ringfenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and relevant Group Organiser/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 £100

Items that may be excluded from Group finance reporting include

- a) Expenditure on light refreshments e.g. tea, coffee, does not need to be reported if paid for separately.
- b) 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.

## 4.3 Receipts

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

- Bank paying in slips will not be given to Group Leaders for this purpose
- Group Organisers may/may not 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 Organisers, 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)

## 4.4 Payments

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

- When a trip or event is organised by and paid through the 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 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.

#### **4.6 Payments to Other Charities**

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives.

Limebrook 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.

#### **4.7 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. Expense claims will be authorised by the 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, which must be submitted to the Treasurer, need to give sufficient detail as to the nature of the expense e.g. copy of receipt.

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 allowed.

Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the Committee.

#### **4.8 Membership Fees**

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

#### **4.9 Gift Aid**

Limebrook u3a invite members who are UK Tax Payers to use Gift Aid when paying their subscriptions.

#### **4.10 Card Readers**

Limebrook u3a uses a Card Reader to take payments by credit or debit cards at their events. This is configured to pay directly into our bank account. The card reader offers an option for a receipt to be sent to the payer. Card reader fees (currently 1.6%) will be funded by Limebrook u3a and shown as an expense on the balance sheet.

### **5. Asset Register**

An asset register, which is maintained by the Treasurer or nominated committee member, 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

### **6. Reserves**

Limebrook u3a aims to keep a level of reserves that will cover 6 months of regular operating activity. This is considered by the Committee a reasonable level for this type of charity.

Social account activities are excluded from this figure as these activities are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing.

### **7. Reporting**

#### **7.1 Statutory Reporting**

Limebrook u3a is a charity and keeps accounting records and produces annual accounts. The Statutory Authority for Limebrook u3a is the Charity Commission for England & Wales.

## 7.2 General Reporting

The Treasurer is responsible for maintaining financial records and will submit regular accounts to the Committee. Accounts will be kept on a payments and receipt basis.

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data. Records may be held in either paper or electronic form.

Financial Policy Template		
Version	Description of changes	Date
1	First Issue	01/2024
2	Revised	25/02/2026