

Exeter U3A - Financial Policy

1. Trustees' financial responsibilities

The trustees of Exeter 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 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 policy will be given to all trustees on their election/appointment to the committee and made available to members on the website.

This policy was developed in July 2020 based on the Third Age Template Ref U3A-KMS-POL-003 dated 3/4/19 and with reference to the Constitution and current practices of Exeter U3A. The policy will be kept under review and revised as necessary. It was last updated in April 2022.

2. Banking

2.1. Bank accounts

- All bank accounts are in the name of Exeter 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.
- Only trustees can be authorised to sign cheques or operate online banking.
- The authorised cheque signatories will be the Treasurer, Membership Secretary and two other trustees as agreed by the committee. This responsibility cannot be delegated.
- The trustees authorised to operate online banking are the Treasurer, Membership Secretary and two other trustees as agreed by the committee. This responsibility cannot be delegated.
- All cheques must be signed by two signatories and all online transactions must be authorised by two relevant trustees.
- The signatories are responsible for examining the cheque 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.
- All bank accounts will be reconciled monthly.

- 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.

2.2. Payment by U3A debit or credit cards

The issue of any bank debit or credit card in the name of Exeter U3A will be approved by the committee and must be minuted. 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 (eg theatre tickets). The committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month. All such payments must be supported by an invoice or receipt made out to Exeter U3A.

Exeter U3A currently does not hold any business debit or credit cards.

2.3. Use of Personal debit or credit cards

The use of personal debit or credit cards for Exeter U3A general or specific interest group activities needs to be closely managed. 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 Exeter U3A or specific interest groups. In these circumstances, it may be appropriate for a member to pay themselves and then claim the cost as a personal expense claim.

All invoices/receipts must be issued in the name of Exeter U3A.

2.4. Cash

- Receipts and payments in cash and the use of cash floats should be kept to a minimum to reduce the risk of loss or theft
- Whenever practical two people should be involved in counting cash receipts. A detailed record of all cash receipts and payments should be made and handed to the Treasurer along with the cash for banking as soon as possible.

3. Group and activity finances

Many interest groups meet in a variety of places including outdoors, in members' homes and in local venues such as pubs and cafes where there is no cost incurred to meet. Some groups however will need access to a larger indoor space and/or specialist equipment and will need to hire a venue for their meetings. Accounting for the payment and recovery of these Paid for Venue (PFV) costs is covered in section 3.3.

Apart from PFV costs 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 leadership and can withdraw money on request from the ringfenced funds (if any) held by the U3A on their behalf, as appropriate.

Group Convenors need to keep and submit adequate records of the group's income and expenditure, using the Exeter U3A Group Accounts Form, 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.

3.1. Receipts

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

- Bank paying in slips will not be given to group leaders for this purpose. Cash and cheques should be handed to the Treasurer for banking as soon as possible along with the related record of gross income and expenditure.
- Where a group convenor collects cash from members this may be paid into their personal account for onward transfer by cheque or online transfer to the U3A bank account. A detailed record of all the cash receipts and payments making up the total should be made and sent to the Treasurer.
- The Treasurer may use online and/or mobile banking to pay cash or cheques in to the Exeter U3A bank account.
- Where applicable receipts may be given or acknowledged by email.

3.2. Payments

The committee will inform relevant group leaders 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
 - Speakers
 - Other
- When payment for venues, coaches, speakers etc must be paid by the 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 facilitate payment by bank transfer.

Exeter U3A does not allow the use of paid tutors.

Some **payments which take place directly between a member and a supplier** do not need to be recorded or reported to the treasurer such as

- Contributions to refreshments in a member's home
- Trivial amounts such as payments for copies of sheet music or small voluntary contributions for quiz prizes.
- Payments to a pub, café or restaurant when at a group or social gathering
- Entry fees to a garden, house, museum etc
- Public transport fares or amounts paid by those who are car sharing
- Theatre or cinema tickets
- Membership fees for a sports club

The committee (via the Treasurer) will monitor the income and expenditure of the groups. Group convenors need to provide regular information, as agreed, to the Treasurer.

3.3. Paid for Venues (PFVs)

Many of Exeter U3A's activities take place in The Mint or other venues which need to be paid for. Where a new group is starting up the Groups Coordinator can help with advice about local venues but no new regular booking should be made without prior authorisation from the Treasurer and Secretary. All bookings should be made in the name of Exeter U3A and all room hire invoices must be sent direct to the Treasurer for payment. To avoid incurring unnecessary costs Group Convenors must cancel individual bookings if they will not be using the room on a regular date and let the Secretary and Treasurer know.

In order to strike a balance between keeping the cost of attendance at groups and other U3A activities as reasonable as possible, whilst sharing costs fairly between members who attend groups in paid for venues and those who do not, the following rules have been agreed

- There is no charge for members attending the regular monthly speaker meetings and Annual General Meeting. Non-members who are considering joining Exeter U3A may also attend monthly meetings free of charge.
- There is no charge for committee members or others attending committee meetings.
- All members (including group convenors) attending a group activity in a paid for venue are expected to pay a contribution of £1.50 for each session they attend. This includes members who attend remotely via Zoom or another online method. These contributions are called PFV fees and are payable to the Treasurer or direct to the Exeter U3A bank account quarterly in arrears. (There is no charge for non-members on each of their trial sessions before joining.)
- Members attending a group activity in some free venues eg Wetherspoons will be expected to buy a drink by the venue operator.
- Members attending a group activity in a member's home are expected to make a contribution towards refreshments provided by the host.

Group convenors are not expected to collect PFV fees but to enable the Treasurer to do so they must ensure that all members sign in to each group session they attend. The Mint sign in sheets should be returned to the reception desk at the end of each session where they will be held for collection by the Treasurer. Convenors of groups meeting in other paid for venues will need to maintain their own sign in sheets and send details promptly to the Treasurer at the end of each month. The Treasurer will collate all the individual attendances in the quarter, advise members how much they owe and collect amounts owing at the regular monthly meetings, via post or through direct payments to the Exeter U3A bank account.

It is not expected that the contributions collected will cover the costs of venue hire completely but the Treasurer will monitor the levels to ensure they do not fall too low overall. Currently 40% recovery is considered acceptable and groups that consistently fall significantly below this rate may need to be reviewed.

3.4. Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants, including group convenors, pay appropriately. The costs paid by members must cover out-of-pocket expenses.

The organiser of an event must not benefit from any discount (eg 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 or group convenor out of the money collected for the event or activity but must be supported by appropriate receipts or other documentation (see expenses policy below). As all U3A members offer their services free to the movement, the organisers or group convenors must not get any pecuniary reward for organising an event or activity.

3.5. Payments to other charities

In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives. Exeter U3A may make payments to external speakers who have indicated that they intend to donate their fee to a specific charity but not direct to their nominated charity. Where a speaker is from a charity payment may be paid direct to the charity but the Exeter U3A – Charity Speaker Payments form must be completed to clearly show that the payment is a speaker fee and not a donation.

4. Expenses policy

Out of pocket expenses incurred by the volunteers who are involved with running the U3A or any of its activities 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 (copy attached available from 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 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 standard individual membership fee is reviewed on an annual basis. Exeter U3A is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members

People who can evidence membership of another U3A can join Exeter U3A as associate members and will pay a membership fee equal to the standard individual membership reduced by the amount that is paid to the Trust for each member.

6. 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.

7. Reserves

Exeter U3A aims to keep a level of reserves that will cover 12 months of regular operating activity. This is considered by the committee to be 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.