Financial Policy Hoylake, West Kirby & District U3A

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.

2 Trustees' financial responsibilities

The trustees of Hoylake, West Kirby & District 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 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 made available to trustees and members on our website.

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

3 Banking

3.1 Bank accounts

- The bank account is in the name of Hoylake & West Kirby District U3A and is 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.
- The authorised signatories are the Chairman, Vice Chairman, Secretary and Treasurer. This responsibility cannot be delegated. The committee can choose any

committee member to be a signatory, however it is not advisable for related committee members to be co-signatories.
- All cheques must be signed by two signatories.
- 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.
- 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. The approved trustees are the Chair, Vice Chair & Treasurer. The security of the online system is in line with the arrangements offered by Lloyds Bank and in accordance with the mandated approval limits.

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 account 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 Hoylake, West Kirby & District 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 have predetermined the spending limits for any card as follows: £150 per transaction, and £300 per month. If there are circumstances requiring expenditure above these limits prior authorisation from the committee should be obtained. If this is not possible due to timing of committee meetings the card holder must make all reasonable attempts to obtain authorisation from at least one, and preferably two of the following; Chair, Vice Chair, Secretary and Treasurer.

Hoylake, West Kirby & District u3a holds 4 business debit/credit cards. These are held by (Chair, Social Group committee member, Newsletter committee member & Treasurer). All transactions made using these cards appear immediately on the bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers (Chair, Vice Chair & Treasurer) through the online banking service. All such payments must be supported by an invoice or receipt made out where possible to Hoylake, West Kirby & District u3a.

4 Groups' finances

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 held by the u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and Group Leader(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.

Members of interest groups will only be asked to meet related direct expenses for the interest group and in the unlikely event that a surplus is generated and not used to cover future expenses it should be paid into the Hoylake, West Kirby & District bank account.

Where a group anticipates income in excess of £300 per year the group co-ordinator should report income/expense to the Treasurer (note monies paid directly to suppliers do not count towards the £300). Where group income is anticipated to be above £300 the Treasurer will advise on the best method of handling the group's finances.

4.1 Receipts

To manage the handover of cash and cheques to be paid into the Hoylake, West Kirby & District u3a bank account the committee has decided that:

- Bank paying in slips will be given on request to group leaders for this purpose.
- Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account.
- 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).

4.2 Payments

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

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.

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.

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. Hoylake, West Kirby & District 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.

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 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.

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.

8 Membership Fees

The membership fee is reviewed on an annual basis. Hoylake, West Kirby & District u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Hoylake, West Kirby & District u3a offers a system whereby the membership fee can be adjusted at the discretion of the committee for those members who would otherwise not to be able to enjoy the benefits of u3A membership.

9 Asset register

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, 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.

10 Reserves

Hoylake, West Kirby & District u3a aims to keep a level of reserves that will cover 12 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.
Social account activities and Group account activites 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.

Reserves above this level will be used over a 1 to 3-year period to further the aims of the charity as set out in the charity's constitution, namely:

The advancement of education and, in particular, the education of older people and those who are retired from full time work, by all means including associated activities conducive to learning and personal development.