

Littleborough u3a Financial Policy

1. Policies

Each u3a is required to set down its financial policies and procedures. This document defines the processes that Littleborough u3a will use for its financial matters. The policy will be kept under review every 2 years and revised as necessary. A copy of this document will be given to all Trustees on their election/appointment to the Committee.

This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Committee of Littleborough u3a will manage all the organisation's financial affairs. The Committee are accountable to the Membership for any non-compliance with this policy.

2. Trustees' Financial Responsibilities

2.1 Committee

The Committee of Littleborough 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.

To enable the Committee to carry out these responsibilities, the financial procedures below will be followed.

2.2 The Treasurer's Role

The Treasurer's role for Littleborough u3a includes:

- Maintaining the financial records in accordance with the u3as's published finance policy
- Maintaining the financial records in accordance with the applicable charity law and statute
- Managing the bank accounts in accordance with the finance policy
- Preparation of accounts and budgets
- Preparation of the annual accounts for the AGM, publication and filing
- Ensuring that an Asset Register is maintained



3. Banking

3.1 Bank Accounts

- All bank accounts are in the name of Littleborough u3a and operated by the Executive Committee.
- Littleborough u3a will operate 3 bank accounts:
 - Business Account
 - Social Account
 - Investment Account (to hold reserves)
- New accounts may only be opened by a decision of the Committee, which must be minuted.
- Changes to the bank mandate may only be made by a decision of the Committee, which must be minuted.
- All cheques and all BACS payments must approved by two signatories
- The authorised signatories shall be Chair, Business Secretary and Treasurer. 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 sent to 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

Operation of an online banking service shall be under the control of the Treasurer who shall have full access rights. The Treasurer shall ensure that the Chair, and Business Secretary have access to the online banking service for the purpose of authorising BACS payments initiated by the Treasurer or to initiate and co-authorise BACS payments in the absence of the Treasurer. The security of the online system is in line with the arrangements offered by Barclays Bank and in accordance with the mandated approval limits.

All payments are authorised in accordance with the bank mandate. Access to the online accounts 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.

Changes to the Bank mandate may only be made by a decision of the Committee which must be minuted.

3.3 Payment by Bank Cards

Littleborough u3a holds 3 payment (debit) cards:

- **2 payment cards linked to the Business account one in the name of the Treasurer and one in the name of the Chair**
- One payment card linked to the Social Account which will be in the name of the Treasurer

The use of these cards overrides the dual control aspect of the payment authorisation process, and all transactions shall be reviewed by the Treasurer to ensure accuracy of payments made and to correlate with receipts and invoices provided.

3.4 Accepting Card Payments

Littleborough u3a will use a SQUARE payment card facility linked to the Barclay's bank account to allow members to make payments to Littleborough u3a. Responsibility for setting up and maintaining the payment card facility shall be the responsibility of the Treasurer.

3.5 Personal Debit or Credit Cards

Use of personal payment cards by Group Convenors is discouraged and any use of personal debit or credit cards for interest group activities will be closely managed by the Treasurer.

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 with the Treasurer before the member incurs the expense. These transactions (or expenses) will be reimbursed on receipt of an expense claim.

Prior approval must be given by the Committee for equipment and other items to be purchased for the use of Littleborough 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 or minimised at least.

3.5 Cash Receipts

Whenever practical, two people should be involved in counting cash receipts and cash receipts shall be handed to the Treasurer who will verify the amount received.

Whenever cash receipts from a Group Convenor is handed to the Treasurer for banking, the Treasurer shall verify the amount of cash handed over and send a receipt to the Convenor by email.

4. Accounts

4.1 Group Finances

This section will apply to activities that are organised for Littleborough u3a's wider membership, for example regarding Outings or Speakers. Therefore, the term Group Co-ordinator shall cover, for example, Trip Organiser or similar.

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. 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 leadership and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf.

A Convenor should not commit the interest group to expenditure which exceeds the total of ring-fenced funds without first seeking the approval of the Treasurer, who will in turn seek approval of the Committee before sanctioning the request.

The Treasurer shall determine, in accordance with this Finance Policy, a record-keeping and financial operating policy for any Littleborough u3a interest group. This policy shall set out the procedures by which a Convenor shall operate an interest group. As a minimum, such policy should:

- Allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the Committee 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 Convenor to maintain a cash float. Such cash floats should not exceed £100.

4.3 Receipts

To manage the handover of cash and cheques to be paid into Littleborough u3a's Social Account the Committee has decided that:

- Bank paying in slips will not be given to Group Leaders for this purpose
- Group Leaders may not pay sums due by issuing their own cheque or paying online through their own bank account
- Emailed receipts will be issued by the Treasurer to Group Convenors, on receipt of cash or cheques to be ring-fenced for that group's activities.

4.4 Payments

An interest groups should only pay cash from its float for sundry expenses eg refreshments, stationery.



Expenses such as Speakers, Tutor fees, coach hire, venue hire, entrance fees should be paid on behalf of the interest group by the Treasurer from funds ring-fenced to that interest group and paid into the Social Account.

Invoices should be made out to Littleborough u3a (and include the name of the interest group if possible) and emailed or posted to the Treasurer for payment.

The convenor should obtain in advance a quotation of charge in advance of making a booking and must obtain evidence of the self-employed status of any tutor engaged on behalf of the group.

The only exception to the above procedure relates to the purchase of event tickets

4.5 Accounts & Audit

The Convenor of an interest group shall keep a financial record of income and expenditure on behalf of the group in a format advised by the Treasurer.

At year end (31st March) the Convenor will provide the Treasurer with a copy of the financial record. The Treasurer is responsible for verifying this information on an annual basis.

Where a Convenor does not comply with this requirement, the Committee will determine whether the group is operating in line with the requirements and obligations of the Charity, including insurance and financial requirements.

4.6 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.

4.7 Refunds

When a social activity has been paid for by a member in advance, a refund will not be given in the event of the member cancelling if:

The activity would not be able to take place due to a reduction in the minimum number of paid-for attendees required by the venue/operator.

Payment has already been paid to the venue/operator.



If a member has booked and paid for an activity but is subsequently unable to participate, a refund will be given if another member is able to take their place.

Refunds will always be given if an activity has to be cancelled by Littleborough u3a or by the venue visited.

5. Statutory Reporting

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for Littleborough u3a is the Charity Commission for England & Wales

6. General Reporting

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

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data.

7. Reserves

Littleborough u3a aims to keep a level of reserves that will cover 12 months of regular operating activity

If the Committee considers that Littleborough u3a needs to build up a reserve in excess of 12 months' regular operating activity costs, eg to provide funding for a planned project or one-off event, then the level of reserves can be increased on a temporary basis until such time as the project or event has concluded. Such decision should be made by the Committee and minuted

However, the level of reserves held at any time shall not exceed twice the total amount of expenditure for Littleborough u3a, recorded in its previous year's accounts, Where the Littleborough u3a's reserves are forecast to exceed the maximum holding, the Committee shall consider a resolution to be passed at the next AGM to temporarily reduce membership subscriptions in the following membership year to an amount which will reduce the holding accordingly.

Interest Group activities and Littleborough u3a's Social Account are excluded from this figure as these activities are inflated by high-cost activities such as outings, and are entirely self-funding

8. Other Points

8.1 Payments to Other Charities

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

Littleborough 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.



8.2 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. Authorised signatories are stated in Section 3.1. No committee member should authorise their own claim.

All claims need to be made by the agreed procedure giving sufficient detail as to the nature of the expense.

8.3 Membership Fees and Membership of More Than One u3a

Each u3a will determine its own form of membership classes. The membership fees will be reviewed on an annual basis.

Littleboroughu3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

The annual membership fee shall be levied from 1st April to 31st March and shall be set at the AGM held the preceding year.

Littleborough u3a will offer a reduced membership fee for any member joining in October or later in the current membership year. Such discount will be approximately half the annual fee excluding the capitation fee payable to the Trust which will be due for all members irrespective of the date of joining.

Any member of another u3a branch shall be entitled to a discounted membership fee equivalent to the capitation fee paid annually to the Trust and collected from the member by another u3a branch. Any member requesting this discount shall evidence their membership of the u3a branch upon which they are relying.

8.4 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.

The register will be reviewed annually.

Under Littleborough u3a's accounting system, all assets are fully written-off against receipts in the year of purchase.

At the end of life, a decision to dispose of an asset shall be made by a decision of the Committee, which must be minuted.

8.5 Gift Aid

Littleborough u3a does not currently offer Gift Aid.

8.6 Card Readers



Littleborough u3a uses a Square card reader to take payments by credit card at our 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.

8.7 Procurement Process

For any procurement of a large value (above £1,000) item there must be a documented competitive tender process in place. This is applicable for any capital item or service. If a service, then the above value refers to either a one-off charge or an annual charge. The EC must agree to the tendering process for the particular contract or purchase order, and this must be agreed before the actual activity is started. If there is required to be any change to the agreed process during the process, the reasons must be explained to the EC and accepted by them. Prior to the final actual commitment the EC must approve the proposed conclusion.

Any commitment below the figure above can be single sourced but the EC should still approve the award recommendation.

9. Investments

9.1 The u3a has as its prime consideration that it is merely holding money on behalf of its members. While the u3a should seek to obtain the best investment returns available, the security of funds takes precedence over returns on investment.

9.2 Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF).

9.3 These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee (limited to £85,000 per institution).

The COIF is not covered by the FSCS guarantee, however, has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.

9.4 No investments will be made into stocks, shares, gilts, or bonds as the risk level would be too high.

9.5 All individual investments must be approved by the Committee.

9.6 The investments should be reviewed annually by the Committee, as part of the fee setting process to take account of changing economic conditions.

10. References

U3a Finance Matters – Guidance (u3a-KMS-DOC-033)



u3a	Littleborough u3a Financial Policy	Review
Version		2027
4.0		
3.0		