

## **Ambleside and District u3a Finance Policy**

### **1 Purpose**

All charities are required to determine their “Internal Controls” for running the charity. Members of the Committee (the “Trustees”) have adopted the following policy and procedures to ensure financial controls are in place.

### **2 Trustees’ financial responsibilities**

- i. The Trustees of Ambleside and District u3a are responsible for:
  - Safeguarding the assets of our u3a.
  - Identifying and managing the risk of loss, waste, theft, or fraud.
  - Ensuring that 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 that show a true and fair view of the state of affairs of the u3a.
- ii. Trustees are jointly responsible for keeping full financial records. These include those of the u3a and all interest groups, where appropriate.
- iii. To enable the Trustees to carry out these responsibilities, the financial procedures detailed below will be followed.
- iv. 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.
- v. The policy will be reviewed annually and revised, as necessary.

### **3 Banking**

- i. Bank accounts
  - a. All bank accounts are in the name of Ambleside and District u3a and operated by the Trustees.
  - b. New accounts may only be opened by a decision of the Trustees, which must be minuted.
  - c. Changes to the bank mandate may only be made by a decision of the Trustees, which must be minuted.
  - d. At least two Trustees are required as authorised signatories for bank accounts, one of whom should be the current Treasurer. This responsibility cannot be delegated to non-Trustees.
  - e. All bank statements must be sent to the Treasurer direct.
- ii. Cheques
  - a. Two signatories must sign all cheques.
  - b. The signatories are responsible for examining the cheque for accuracy and completeness.
  - c. The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque.
  - d. Blank cheques will never be issued.
  - e. Blank cheques will never be signed by one signatory for a second to complete later.

- iii. Online banking and bank cards
  - a. Most payments are now made through online banking. 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 Trustees and in accordance with the bank mandate. The security of the online system is in line with the arrangements offered by the Committee's chosen bank account (currently National Westminster Bank) and as such overrides the dual control aspect of the payment authorisation process. It is permitted, however, in recognition that online payment represents the most effective, and in some cases, only method of completing the transaction. At least two Authorised Trustees (currently the Treasurer and Deputy Treasurer) have access to online banking to ensure oversight of the operation of the bank accounts.
  - b. The Authorised Trustees are responsible for examining the payment documentation (purchase invoice etc.) prior to completing an internet transfer.
  - c. Payments made outside regular operational requirements (such as a "one off" payment for new equipment), or for more than £150, require prior email authorisation from a second Authorised Trustee, or in their absence, another Trustee.
  - d. The issue of any bank debit card in the name of Ambleside and District u3a will be approved by a quorate number of Trustees at a Committee meeting, and the decision must be minuted. The use of these cards overrides the dual control aspect of the payment authorisation process, but is permitted, with prior agreement from the Treasurer and where no other method of completing the transaction is feasible.
  - e. Ambleside and District u3a holds two business debit cards. The Treasurer and Deputy Treasurer hold these. 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 Authorised Trustees through the online banking service.
  - f. All payments must be supported by an invoice, receipt or other relevant documentation made out to Ambleside and District u3a.
- iv. Personal debit or credit cards
  - a. The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission must be sought from the Trustees where a group feels that there is no other viable way to make payments.
  - b. Prior approval must be given by the Trustees for equipment and other items to be purchased for the use of Ambleside and District 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.
  - c. All invoices must be issued in the name of Ambleside and District u3a.

#### **4. Groups' finances**

- i. Interest groups are expected to be self-financing and can collect such sums of money as the group members and Co-Ordinator deem to be necessary to undertake their activities.

- ii. Group Co-Ordinators need to provide financial information to the Treasurer on request to enable the Trustees to monitor the income and expenditure of the groups. Where groups do not comply then the Trustees will review as to whether the group is legitimately operating in line with the insurance and financial requirements.
- iii. Funds held by the u3a on behalf of groups are ringfenced for group expenditure. It should be noted, however, that any surplus funds of these groups belong to the u3a.
- iv. Groups are permitted to make any expenditure deemed necessary by the group members and the group Co-Ordinators and can withdraw money on request from the ringfenced funds held by the u3a on their behalf, as appropriate.
- v. The Treasurer and Group Co-ordinators need to agree what records they need to keep of each group's transactions in order to:
  - a. Allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the Trustees and to meet regulatory requirements.
  - b. Allow the group members to understand how their monies are being managed.
  - c. Maintain transparency and trust for all concerned.
  - d. Minimise the risk of error and potential loss of funds.
  - e. Allow Group Co-Ordinators to maintain cash floats if required.
- vi. To manage the handover of cash and cheques to be paid into the Ambleside and District u3a bank account, the Trustees have decided that:
  - a. Group Co-Ordinators may pay sums due by issuing their own cheque or paying online through their own bank account, provided that the Treasurer is informed, and group members are aware of this arrangement. Receipts will need to be given to Group Co-Ordinators, or the payment acknowledged by email and appropriate records maintained.
  - b. Where net sums are being paid over, this needs to be fully demonstrated to the Treasurer.
  - c. Cash can be held back for cash flow purposes, but the limit must be approved by the Treasurer / Deputy Treasurer and group members informed.
- vii. The Trustees will advise relevant Group Co-Ordinators as to the approved process for payments relating to:
  - a. Trips organised and paid through the u3a or paid directly by members to the trip organiser.
  - b. When payment for venues, coaches and speakers can be deducted from activity revenue.
  - c. Venues, coaches, and speakers and where such payments must be made through the u3a.
- viii. Outside speakers should be asked to state their fees at the time of booking. Where possible, invoices should be raised for Ambleside and District u3a.
- ix. Where the Trustees have agreed the use of a paid tutor, the agreement is not a contract of personal service; the tutor is not an employee, worker or agent of the Ambleside and District u3a. The tutor is self employed as an independent contractor and will account for their own income tax, Class 4 National Insurance contributions and VAT returns.

## **5. Social activities**

- i. 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 all expenses such as transport and refreshments.

- ii. 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.
- iii. Personal expenses incurred in the process of organising an event can be paid out of the money collected for that 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.
- iv. Trips for members only, that are less than 24 hours and do not include an overnight stay are allowed and covered by the normal insurance (at the time of writing).

## **6. Travel and Holidays**

- i. Members frequently car-share when travelling to an event. Although the event itself will be conducted under the auspices of the u3a, members must always make their own, private, arrangements for transport, unless there is a specific and clear statement to the contrary in special circumstances. The Trustees are aware that those to whom lifts are given frequently offer the driver a contribution to fuel costs.

In this context, all members must please note the following:

- a. without exception, all drivers take personal responsibility for ensuring that he or she is driving legally - for example that the road fund licence and insurance are up-to-date and valid for the purpose of the trip. Passengers must clearly understand that this is not the responsibility of the Trustees.
  - b. any contribution to costs offered by passengers is always a free-will gesture and never a condition for the lift being offered. There must be no compulsion to contribute: the cost of the trip is the responsibility of the driver alone.
  - c. every passenger accepts a lift on the basis that no liability can attach to the Trustees for any loss or injury suffered in the course of the vehicle journey in question. The arrangements for transport are always entirely a personal understanding between the driver and the passenger.
  - d. It follows from the above that if a member needs a lift to an event but is unwilling to accept these conditions, he or she will be unable to attend. The Trustees have no duty to members in this regard.
- ii. Holidays for members are not covered by u3a Insurance (at the time of writing) and individuals should ensure that they have suitable cover when booking.
  - iii. The safest and easiest way to organise holidays is through an ABTA or ATOL registered travel agent. The Group Co-Ordinator may deal with the agent on the group's behalf if required, but individuals should pay the travel company direct.
  - iv. It should be noted that u3as are exempt from the Package and Linked Travel Arrangements Regulations 2018 provided that:
    - a. The arrangements cover a period of less than 24 hours.
    - b. The packages are occasional, are not-for-profit, and are for members only.
    - c. Occasional is defined as not more than ten trips per annum.

## **7. Payments to other charities**

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

## **8. Expenses policy**

- I. Out of pocket expenses incurred by the volunteers who are involved with running the u3a will be reimbursed on request. Expense claims must be submitted to the Treasurer with receipts. Expense claims will be authorised by a Trustee and no Trustee should authorise their own claim.
- II. Claims can be submitted via email with a clear, scanned copy of the receipts, or in hard copy. Sufficient detail as to the nature of the expense should be provided.
- III. Expense claims should always reflect the cheapest travel option available and will be capped at the lowest rate. Travel by car will be reimbursed at the current HMRC approved rate (45 p per mile at the time of writing) for the actual mileage travelled.
- IV. Car parking and congestion charges can be reclaimed (with receipts) but parking and other tolls or fines will not be allowed.
- V. Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the Trustees.

## **9. Membership Fees and membership of more than one u3a**

The membership fee is reviewed on an annual basis and is payable in October each year, with no discount given should a member join part way through the year. Ambleside and District u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains as widely accessible as possible. For u3a members who can evidence membership of another u3a, Ambleside and District u3a will reduce the cost of membership by the amount that is paid to the Third Age Trust for each member.

## **10. Asset register**

An asset register is maintained by the Deputy Treasurer which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location.

It should be noted that all assets are fully written off against receipts in the year of purchase. The register is reviewed annually.

## **11. Reserves**

Ambleside and District u3a aims to keep a level of reserves that will cover six months of regular operating activity. The Trustees consider this 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.

**February 2024**