

# Settle District u3a Financial Policy

## 1. Introduction

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 Settle District u3a (the u3a) are responsible for:

- Safeguarding the assets of the charity.
- Identifying and managing the risk of loss, waste, theft or fraud.
- Ensuring 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.

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.

## 3. Banking

### 3.1. Bank accounts

- All bank accounts will be in the name of Settle District u3a and operated by the trustees.
- New accounts may only be opened by a decision of the committee. Such a decision will also be recorded in the minutes of the committee.
- Changes to the bank mandate may only be made by a decision of the committee which must be minuted.
- The authorised signatories will be the Chairman, Vice Chairman, Secretary and Treasurer and any other Trustees agreed by the committee. This responsibility cannot be delegated.
- The bank mandate will require that payments must be signed/authorised by two signatories.
- The signatories are responsible for examining the cheque or other payment for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising the payment.
- 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.
- Whenever practical two people should be involved in counting cash receipts.

### 3.2. Online banking

On line banking is available to the u3a via the account with National Westminster Bank. The security of the on line system is in line with the arrangements offered by the Bank and is in accordance with the mandate and this policy – in particular 2 signatories are required to authorise on line payments. A procedure note is attached (Appendix 1).

### 3.3. Payment by bank cards

At the time of writing of this policy the trustees have not instigated the use of any bank cards. If the need for use of a bank card is identified the committee will approve the change and amend this policy to ensure adequate controls are in place.

### 3.4. Personal debit or credit cards

The use of personal debit or credit cards for 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 Settle 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.

Wherever possible all invoices should be issued in the name of Settle District u3a.

## 4. Groups' finances

Most interest groups are expected to collect a small sum, currently 50 pence (£0.50), from all members when they attend any meetings of the group. In exceptional cases the committee may ask a group to collect more than this sum when the costs associated with the meeting (mainly room rental costs) are excessive. The income from all groups belongs to the u3a. Groups will seek committee approval and funding for any expenditure deemed necessary by the group members and the group leadership.

### 4.1. Group Receipts

To manage the handover of cash and cheques to be paid into the Settle District u3a bank account the committee has decided that:

- Bank paying in slips will not be given to group leaders for this purpose.
- Group leaders will deposit the income from their group meetings in a suitable secure facility at a central point in Settle with a note of the amount deposited.
- Group income deposited at the central point will be banked and a suitable record maintained to enable monitoring of income levels.
- Group income may also be banked directly into the u3a bank account, in which case the group leader is asked to send a note to the Treasurer explaining what has been paid and what it relates to such as name of group and date of meeting.

### 4.2. Group 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
  - Tutors
  - Speakers
  - Other
- When payment for venues, coaches, tutors, speakers etc must be paid by the u3a.

### 4.3. 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.

Organisers should provide a summary of the income and costs associated with the event to the treasurer.

## 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.

Settle District u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity or pay a charity on behalf of a speaker using suitable documentation, (Appendix 2)

Payments for services e.g. hall hire may be made to charities.

## 6. Expenses policy

Out of pocket expenses incurred by the volunteers and trustees who are involved with running the u3a will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the chairperson whenever possible or the vice chairperson or the secretary when the chairperson cannot authorise a claim. No committee member should authorise their own claim. Expenses will include – with committee approval – attendance at the National u3a AGM and Conference and national and regional workshops.

All claims should be made on the appropriate form (Appendix 3) 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 claims for 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.

## 7. Membership Fees and membership of more than one u3a

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

For u3a members who can evidence membership of another u3a, Settle District u3a will reduce the cost of membership by a sum that is at least the amount paid to the Trust for each member.

Members of WestNet (ie Bradford, Craven (up to July 2023 only) , Ilkley, Keighley u3a's) are exempt from any fee although donations are welcome

## 8. Asset register

An asset register is maintained by the secretary which records all assets held including, where possible, 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.

## 9. Reserves

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

## 10. Review

This policy was adopted at the committee meeting of Settle District u3a on 5<sup>th</sup> June 2020 and reviewed in May 2023. The policy will be reviewed every two years.

### **Making an on line payment – Nat West Account**

1. Is the charge correct ? eg was the venue used as stated on the invoice or document, were the services received as stated, is the price charged as agreed
2. Does the invoice/document that is to be paid include the bank details of the organisation ?
3. If there are no bank details on the invoice and the charge is correct a cheque needs to be raised. The cheque book is held by treasurer. Any two signatures are needed on any cheque from the four signatories available – Chairman, Secretary, Treasurer, one committee member ( currently J Hine)
4. Where bank details are provided a direct BACS payment should be made.
5. Number the payments to be made sequentially from the On Line Payments Index, taking the next number, and commencing 'N', noting the number on the invoice/document.
6. To make a BACS payment on the Nat West site..
  - a. Click on Business Accounts and then click on Bankline in the drop down box.
  - b. Sign in to Bankline.
  - c. On the Welcome page, click on Domestic Payments.
  - d. If there is a template for your payment ( list on reverse of Nat West On Line Payments Index) use the template, remembering to change the reference number to the N reference on the payment being made. Add an appropriate reference in the payee box – ideally invoice number. Ensure that the payment date selected results in a 'Future Direct Processing Transaction' payment and then click on Raise the payment. DO NOT approve the payment if you have raised the payment; it should be approved by other signatories whenever possible – see also 9 below.
  - e. Where there is no template follow the steps for making a payment, selecting a future payment date that results in a 'Future Direct Processing Transaction' payment. DO NOT approve the payment if you have raised the payment; it should be approved by other signatories whenever possible – see also 9 below.
7. Note Reference Number on each invoice/document and date to be paid.
8. Scan invoices and send file to two approvers, asking them to approve the payments. Approval must be done by midnight on the day following the creation of the payments.
9. Wherever possible a payment for expenses to any committee member should be approved by a signatory who is at arms length from that committee member. A signatory should not approve a payment to themselves.
10. Original invoices are held by the Treasurer.

*April 2023*

C:\Users\barba\Documents\U3a Files 2\Treasurers Docs March 2020 Onwards\Banking NatWest\Making a payment.docx

To : Settle District U3A

Please pay the fee/expenses due to me as speaker at your U3A on

..... (date) to the following charity

.....

being a donation paid on my behalf to that charity.

Signed .....

Name .....

Date .....

## Expenses Reimbursement

## Settle District U3A

**Itemised Expenses**      NB: Please attach receipts/proof of expenditure

[illegible]

NAME : ..... MEMBERSHIP NO. ....

SIGNATURE : .....

DATE : .....

**Bank Account** - If you wish we can pay your expenses directly into your account. In this case please supply:

Name of bank \_\_\_\_\_

Sort Code                    \_ \_ - \_ - \_ - \_

Account Name \_\_\_\_\_

Account Number    \_ \_ \_ \_ \_