Tetbury & District u3a

Finance Policy

1 Purpose

All charities are required to determine their "Internal Controls" for running the charity, one of these being the Financial Controls, which are set out in this Finance Policy.

All committee members of Tetbury & District u3a are automatically Trustees of the charity. Collectively the trustees are referred to as 'the Board' in this document.

2 Trustees' financial responsibilities

The trustees of Tetbury & District u3a are responsible for:

- Safeguarding the assets of the charity.
- 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 which show a true and fair view of the state of financial affairs of the u3a in accordance with the governing document and relevant legislation.

Trustees are jointly responsible for ensuring that full financial records for the charity are kept, but in practice most of this work will fall to the Treasurer. Financial records should include those of the u3a and any interest groups etc., where appropriate. To enable the trustees to carry out these responsibilities, the finance 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 u3a members on the website.

The policy will be kept under review and revised as necessary. It will be subject to formal review every 3 years.

3 Production of accounts

Tetbury & District u3a keeps its accounts on a simple cash and payment basis.

The Treasurer should produce management accounts each month and circulate these to the Trustees so that they are appraised of the u3a's financial position on a regular basis. These should agree to the month-end bank balance/s.

The Treasurer will produce an annual financial report summarising the financial position of the charity for the financial year (1st July – 30th June). This report should include all funds under the Trustee's control and will be subject to review by an independent examiner prior to presentation to the AGM each year. The independent examiner may be a member of Tetbury & District u3a, but not a Trustee, or related to a Trustee. They will normally be appointed at the AGM.

As a registered charity the u3a will need to submit financial information to The Charity Commission each year. The level of detail will vary with the charity's annual turnover.

4 Banking

4.1 Bank accounts

- All bank accounts are in the name of Tetbury & District u3a and operated only by the trustees.
- Only transactions related directly to the running of the u3a should pass through the bank account/s.
- 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 will normally be the Chair, Vice Chair and Treasurer (ensuring that all signatories are independent of each other and are not partners or related). This responsibility cannot be delegated.
- All cheques or online payments must be signed/approved by two signatories.
- The signatories are responsible for examining any payments being made for accuracy and completeness.
- All bank statements must be sent to the Treasurer directly.
- Blank cheques will never be issued, or signed by one signatory for a second to complete later.
- The use of debit/credit cards linked to the bank account is not permitted.

4.2 Online banking

Where online operation of the bank accounts is in place only trustees approved by the Board will have access to this facility. This will normally include the Membership Secretary having view only access to verify membership payments. The security of the online system is in line with the arrangements offered by the bank and in accordance with the mandated approval limits. Trustees with online access must keep their sign in details/passwords/ security devices secure.

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.

5 Payments

Wherever possible payments should be made direct from the u3a bank account and should be made against an invoice in the name of Tetbury & District u3a. Charities are not exempt from paying VAT so for general invoices received for purchases, VAT is usually payable.

The Treasurer should prepare a cheque or online payment to settle each invoice and act as a signatory/approver with a second signatory/approver as per the bank mandate.

6 Cash

Whenever practical two people should be involved in counting any cash receipts and cash receipts should be banked as soon as practicable. As access to paying in facilities is limited this may entail a Trustee or member remitting the funds to the u3a bank account and retaining the cash for their personal use.

The u3a aims to hold no cash balances as these are less secure or auditable.

7 Group finances

All groups must be self-funding. Expenses for venues, activities, materials etc. may be recovered by asking members of the activity group to pay a small charge for each meeting or activity. Charges should be kept to a minimum sufficient to cover all expenses of the group but should not be allowed to build up to a sum exceeding £100 unless this is required for a specific purpose.

The organiser of an event must not benefit from any discount (e.g. a free place) or other pecuniary reward offered by the organisation providing the event. The value of any discounts or rewards must be shared out equally among all participants to the event.

Group leaders should keep a simple in-and-out account of receipts and payments. The Treasurer may ask a group leader to share their financial records for the group if there are any concerns about the financial operation of a group. All group balances belong to Tetbury & District u3a and any group cash balances in excess of £50 will be declared in the annual financial report for the u3a. Similarly any assets purchased by the group should be reported to the Treasurer for inclusion in the u3a Asset Register. In the event of the group ceasing to operate, any funds held and assets purchased by the group should be returned to the u3a and may be ring-fenced for the use of a similar group in the future.

Groups may not open a bank account or put members' money into the leader's personal bank account. If significant receipts or payments are anticipated, the u3a 'Social' bank account may be utilised to collect receipts and make payments for any group. In these circumstances the group leader should liaise with the Treasurer to agree the details of this use.

In exceptional circumstances a group leader may ask for a loan from the u3a to be repaid from group member contributions within one year. A separate procedure exists for this.

8 Payments to other charities policy

In line with charity law, a u3a cannot directly raise funds for, or make a donation to, another charity that does not have similar charitable objectives. Any charitable donations received by groups must be paid to the charity by the group leader personally and not by u3a. Tetbury & District u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but u3a will not make payment direct to their nominated charity. The charity may purchase a service from another charity, e.g. hall hire as this is payment for a service rather than a donation.

9 Payments to Trustees policy

The charity's Constitution (section 5) prohibits Trustees from receiving payment for their services, or receiving any other financial benefits from the charity.

10 Expenses policy

Reasonable out of pocket expenses incurred by the volunteers who are involved with running the u3a can be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the Trustees and no Trustee may authorise their own claim. Expenses could include – with Board prior approval – attendance at u3a National or regional events 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 Board.

All claims need to be made to the Treasurer giving sufficient detail as to the nature of the expense.

11 Membership Fees

The membership fee is reviewed on an annual basis as part of an annual financial budget which is prepared by the Treasurer and reviewed by the Board. Tetbury & District u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

12 Gift Aid

As a charity Tetbury & District is able to claim a Gift Aid claim to HMRC on the annual subscriptions paid by members who have elected to Gift Aid their subscription. This helps to keep the membership fee as low as possible. The Treasurer will be responsible for making the annual claim based on membership records as soon as reasonably practicable after the end of the tax year.

Membership records of those members who have signed a Gift Aid declaration, are required to be kept for a minimum of 6 years after the end of the tax year they relate to. This requirement over-rides the member's GDPR rights on general personal data storage.

13 Asset register

An asset register is maintained by the Treasurer which records all assets held by the u3a 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 should be reviewed annually.

14 Reserves policy

Tetbury & District u3a will maintain a level of reserves that will cover financial commitments reasonably foreseeable in the event of it being wound up. After review (June 2025) the Trustees have identified this as:

- £600 for monthly meeting venue and speaker costs, plus
- £1,000 which is the maximum excess on any insurance policy currently in place

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.

The Trustees will regularly review the level of funds held with a view to using any excess funds for the benefit of current u3a members.

Approved by Trustees: 14th July 2025

Amendment history
July 2025 – updated with new Reserves Policy and inclusion of formal 3 yearly review requirement.