

## **TEBURY & DISTRICT u3a - FINANCE POLICY**

### **1. Aim – the aim of this policy is to:**

- protect Tetbury & District u3a's assets
- identify and manage the risk of conflicts of interest, loss, waste, bribery, theft or fraud
- ensure that financial reporting is robust and of sufficient quality
- ensure that the Trustees comply with the Tetbury & District u3a Constitution, Charity Law and the reporting requirements as set down by the Third Age Trust
- protect the Trustees against the charge of failing to protect Tetbury & District u3a's assets and funds
- ensure Trustees and Group Leaders do not suffer any financial loss related to the running of Tetbury & District u3a

### **2. Background to the need for proper financial records**

Following detailed discussions between the Third Age Trust and the Charities Commission the u3a has been advised that ALL income and expenditure of the u3a's charitable activities (i.e. all its activities) must be reported in its annual financial statements. This encompasses ALL income and expenditure, whether it be for membership fees, group activities, main meetings or trips/outings.

### **3. Protection of Tetbury & District u3a's assets and general financial procedures**

The Treasurer maintains a record of all income and expenditure and the financial status, in sufficient detail to enable the Trustees to manage the finances and assets. The accounts and supporting documentation are available and should be monitored by the Trustees at their monthly meeting and annually the accounts must be inspected by an independent examiner. The Treasurer will provide a statement of accounts to the AGM and answer any questions from the membership.

Tetbury & District maintains two Bank accounts. These require dual authorisation for the issue of cheques and three signatories must be registered with the bank. Payments by internet banking/BACS may be made by one of the authorized signatories but any new payment requires authority from either the Committee member responsible (e.g., a speaker) or the Committee overall before payment is authorized.

A budget is to be created by the Treasurer, each financial year, showing income and expenditure, prior to the setting of the Membership fee for the following year. The membership year will run from 1<sup>st</sup> August to 31<sup>st</sup> July. Members joining in June and July will run through to 31<sup>st</sup> July in the following year.

Members are encouraged to make a Gift Aid declaration which will be claimed according to HMRC rules.

All equipment must be documented in the Asset Register and provided as part of the yearly audit process.

Reserves are maintained to enable: an orderly closure of the organization; payment of capitation and Beacon subscriptions to National Office Third Age Trust (TAT); development expenditure that would benefit the wider membership. Reserves will be maintained at 6 months expenditure which will ensure continuity in the event of a sudden drop in income. Reserves in excess of six months running costs need to be justified by the Trustees<sup>1</sup> and must be used according to the charitable objectives of the u3a and benefit as many members as possible, such as a decrease in annual membership fee or the purchase of capital equipment. Under no circumstances should excess reserves be repaid to members.

Tetbury & District u3a cannot raise funds for other charities. However if a speaker, at the Monthly meeting, requests that their fee be made to a charity this will be allowed, as one off payments are acceptable by TAT. A collecting box for a charity is permissible. Modest payments are made to speakers at the General meetings unless they are members of S&VU3A

No payment is permitted to members for lecturing, tutoring or other work. Legitimate expenses such as printing costs, stationery and postage can be reimbursed.

Beacon provides a robust way of tracking all income and expenditure via the Ledger. This will be maintained by the Treasurer and reconciled monthly against the bank statement, reviewed by the Board and any discrepancies resolved. Beacon is fully compliant with GDPR.

#### **4. Groups' Finances**

All people attending a group must be a u3a member and hold a membership card.

All groups must be financially self-supporting and their finances 'ring fenced'. The main Bank account is not to be used to support or make payments for Groups. A separate account, Tetbury & District U3A Social exists to pay for enduring Group costs (e.g., the period hire of a sports centre or hall) or a major cost (e.g., coach hire or other travel, accommodation). Groups are not to open their own accounts or to make payments for the group from a member's personal account.

Group leaders may book and pay for room hire and collect appropriate funds from group members to cover that expenditure.

Group leaders may authorise the collection of appropriate funds from group members to cover refreshments or other expenditure which has been agreed beforehand.

Group leaders should preferably appoint a member to collect money, record fees and expenditure and take care of funds.

Group leaders should not suffer financial loss related to the running of their Group.

Any events involving coaches or hall bookings should be paid on invoice by the Treasurer.

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<sup>1</sup> Reserves will be reviewed annually but a formal policy will be developed after 3 years operation to allow the full range of expenditure and income to be understood

All Group leaders should send the Treasurer a financial statement at least every six months outlining, income and expenditure.

If a group decides to stop meeting, all remaining funds should be returned to the Treasurer to be paid into the u3a bank account.

**Approved by the Committee on 10 June 2020 and to be reviewed annually.**

**Reviewed 27 September 2021 (LDM)**

**Reviewed and edited 12 October 2021, section 3 membership year (LDM)**