u3a
Huntingdon

Policy Statement

Financial Matters

1 Purpose

This policy statement defines the internal procedures that apply to running Hu3a in accordance with Trustee responsibilities as defined by the Hu3a Constitution.

2 Trustees' Financial Responsibilities

The Trustees of Hu3a are responsible for:

- safeguarding the assets of Hu3a;
- identifying and managing the risk of loss, waste, theft or fraud;
- ensuring the financial reporting is robust and of sufficient quality;
- keeping adequate and appropriate financial records of Hu3a activities, including those of all interest groups and sub-groups; and
- preparing Annual Accounts, showing a true and fair view of the state of Hu3a.

To enable the Trustees to meet these responsibilities, the financial procedures detailed below will be followed.

3 Banking

3.1 Bank Accounts

Currently, HU3a operates three (3) bank accounts:

Account #1 Accounting for all items of general expenditure
Account #2 Accounting for all expenditure relating to Holiday and Theatre Trips
Account #3 Accounting for expenditure relating to Days Out

Details of how these accounts are to be operated are attached at Appendices 1 through 3.

Also note that:

- all bank accounts are in the name of Hu3a;
- new accounts may only be opened by a decision of the Trustees, which must be minuted;
- changes to the bank mandates may only be made by a decision of the Trustees, which must be minuted;
- the authorised signatories are as noted in Appendices 1, 2 and 3. See also Section 3.2 below. This responsibility cannot be delegated;

- the signatories are responsible for examining the payment documentation (cheques, purchase invoices etc) prior to signing the cheque or authorizing payment online;
- all bank statements must be sent to the appropriate account holder;
- blank cheques will never be issued;
- blank cheques will never be signed by one signatory for another to complete later.

3.2 Online Banking

Current U3A advice and guidance is that online operation of bank accounts should only be accessible to Trustees approved by the Committee. In the case of Hu3a, two of the bank accounts held are operated by trusted long serving members who are Non-Trustees. See Appendices 2 & 3 for details. This has been a successful and long-standing arrangement. The Hu3a Committee has approved the continuation of this arrangement while the members concerned continue to operate/manage the activities involved. However, as and when that situation changes, their successor(s) will be recruited as Trustees.

3.3 Payment by Bank Cards

The operation of the online banking service is under the overall control of the Treasurer who has full access rights and is responsible for assigning the appropriate delegate rights, as agreed by the Committee and in accordance with the bank mandate. 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. The issue of bank debit cards in the name of Hu3a must be approved by the Committee. All payments must be supported by an invoice or receipt made out to Hu3a.

3.4 Personal Debit or Credit Cards

Use of personal debit or credit cards to cover expenditure related to member activities is permissible, provided prior approval has been sought from the Committee.

In particular, this relates to the purchase of equipment and other items to be used by Hu3a generally and by interest groups specifically. If appropriate, members may make the purchase themselves and claim the cost as a personal expense.

4 Group Finances

The advice and guidance given by U3A regarding the management and reporting of group finances is wide ranging and, in many instances, is inappropriate to Hu3a. The formation and management of groups within Hu3a has been an organic process which, over time, has proved to work very effectively and with zero/minimal risk. The Hu3a Committee sees no reason to change this approach and is content that it continues.

Interest groups are expected to be self-funding and can collect and pay such sums of money as the group members and leadership deem to be necessary to undertake their activities. Group leaders may pay sums due by use of personal Debit/Credit cards, issuing their own cheque or paying online through their own bank account. Group leaders should **never** open a bank account linked to their interest group.

The group leader should agree with members the level of subscription necessary to support the group's activities. This can increase/decrease according to the size of the group. Thereafter, the group leader must decide how the group's finances are to be managed. Two options are available:

1. Manage the group's finances personally, paying the venue hire direct.
2. Pass subscriptions to the Treasurer (retaining a small float to pay incidental expenses such as refreshments) who will ringfence that group's finances and pay venue hire, equipment purchases etc.

In either case, it is imperative that clear records are kept. Two options are available for keeping records:

1. Using the Beacon Groups Ledger, an easy-to-use money in/out and balance system that the Treasurer can view (this is the preferred option and training can be given).
2. Producing a typed/handwritten account or a spreadsheet of the account, on a six-monthly report submitted to the Treasurer.

In order that accurate accounts can be maintained and presented to the Committee and ultimately to members at the AGM, and to maintain transparency and trust for all concerned, Group leaders must provide the following information:

- amounts received as subscriptions from members
- amounts paid as venue rental, if appropriate
- payments made - itemised as refreshments, equipment etc.
- any other expenditure
- amount held in the Hu3a main account for ring-fencing
- total amount retained as a float for group activities

As a safeguard, the group leader must agree with the Treasurer that a maximum amount to be retained as a float, £100 is recommended, but it is recognized that some groups may occasionally need to temporarily exceed this figure. Any surplus should be handed to the Treasurer for payment into the Hu3a #1 Account and will be ring-fenced for that group's future activities. Note that if funds held by group leaders in their own homes are lost, they must be replaced by that group leader.

The following points also apply:

- Where groups do not comply with the above requirements, the Committee will review whether the group is legitimately operating in line with insurance and financial requirements.

- If a group cannot continue, funds held by the group must be passed to the Treasurer and be held until either the group can restart or if the group is dissolved, in which case the funds will then be transferred to the main Hu3a account.

- Applications can be made to the hu3a Committee for funds to purchase equipment considered to be necessary for a group's operations. If successful, that equipment becomes the property of Hu3a and can be borrowed by other groups as appropriate.

- Funds held or raised by a group can only be donated to another charity by Hu3a and <u>not by a group</u>, if that charity has the same objectives as Hu3a.

The U3A is a non-profit making organization; however, interest groups can fund-raise for Hu3a e.g. performances etc. Any fund-raising activities should be notified to the Committee and any funds raised passed directly to the Treasurer and not held by the group.

4.1 Social Activities

Events such as theatre trips, holidays, visits or days out must be charged at cost and all participants pay accordingly. The organiser must not benefit from any discount (eg free places) offered by the organisation providing the event. The value of free places must be shared between participating members.

The organiser must not get any pecuniary reward for organising the event, but out of pocket expenses can be paid from monies collected.

4.2 Payment to Other Charities

In line with charity law, Hu3a cannot raise funds for another charity that does not have similar charitable objectives. Hu3a will make payment to speakers who have indicated that they intend to donate their fee to a specific charity, but not direct to that nominated charity.

5 Expenses Policy

Out of pocket expenses incurred by volunteers when conducting Hu3a business will be reimbursed. Claims must be submitted to the Treasurer on the appropriate form and receipts must be attached. Copies of the claim form can be downloaded from the Hu3a website and are also available from the Treasurer.

6 Affiliate Membership Fees

The membership fee is reviewed on an annual basis. Hu3a is committed to keep the membership subscription as low as possible, to ensure that we remain accessible to all members. For members who can evidence membership of another u3a, Hu3a will reduce the cost of membership by the amount that is paid to the Third Age Trust for each member.

7 Asset Register

An asset register is maintained by the Secretary that records all equipment and other assets held, together with the name of the member currently holding them. This equipment is available for use by all members in the pursuit of Hu3a business. All assets are fully written off against receipts in the year of purchase. The register is reviewed annually.

For future purchases, the asset register will also include the initial purchase price, date of purchase and estimated nominal value.

8 Reserves

Hu3a aims to keep a level of reserves that will cover 12 months of regular operating activity. Social activities (e.g. theatre visits and days out) are excluded from this figure as these activities are high cost and are entirely self-financing.

Approved by Hu3a Committee: 4 February 2025 Signed: Brian Perrett, Chair

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Appendix 1 - Bank Account #1 General Expenditure

Operated by: Hu3a Treasurer

Authorised Signatories: Treasurer; Chair; Secretary

Approval Levels – Cheque Payments

Cheques less than £200 require only one (1) of the above signatures (usually the Treasurer)

Cheques more than £200 require any two (2) of the above signatures

Approval Levels – Online Payments

Amounts less than £200 require authorization by one of the above signatories (usually the Treasurer)

Amounts more than £200, up to a maximum of £10,000 per day, require authorization from two (2) of the above signatories. This will be managed by an exchange of emails

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Appendix 2- Bank Account #2 Theatre Trips & Holidays

Operated by: Group Leader (Roger Tacq; Non-Trustee)

Authorised Signatories: Group Leader; Chair; Treasurer; Secretary

Approval Levels – Cheque Payments

Cheques less than £200 require only the Group Leader's signature

Cheques more than £200 require signature by the Group Leader plus one other signatory

Approval Levels – Online Payments

The Group Leader is authorized to approve payments of up to £10,000 per day. For payments over £500, the Group Leader must seek approval, via an exchange of emails, to make this payment from the Treasurer a minimum of 3 days beforehand.

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Appendix 3 - Bank Account #3 Days Out

Operated By: Assistant Group Leader (Alan Bustard; Non-Trustee)

Authorised Signatories: Assistant Group Leader; Chair; Treasurer; Secretary

Approval Levels – Cheque Payments

Cheques less than £200 require only the Assistant Group Leader's signature

Cheques more than £200 require signature by the Assistant Group Leader plus one other signatory

Approval Levels- Online Payments

The Assistant Group Leader is authorised to approve payments of up to £10,000 per day. For payments over £500, the Assistant Group Leader must seek approval, via an exchange of emails, to make this payment from the Treasurer a minimum of 3 days beforehand.