Financial Policy

1 Purpose

This document defines the processes that Dacorum u3a will use for its financial matters.

A copy of this document will be given to all Trustees on their election/appointment to the Trustees Committee.

2 Trustees' financial responsibilities

The Trustees of Dacorum u3a are responsible for:

- safeguarding the assets of the charity;
- identifying and managing the risk of loss, waste, theft or fraud;
- ensuring the financial reporting is robust and of sufficient quality;
- keeping financial records in accordance with the Constitution and relevant legislation (e.g. Charities Acts, Companies Acts etc);
- ensuring Annual Accounts are prepared in accordance with the Constitution and relevant legislation; and.
- the accounts should 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.

The policy will be reviewed every three years, or more frequently as needed following change in legislation or best practice, and revised as necessary.

3 Banking

3.1 Bank accounts

- All bank accounts are in the name of Dacorum u3a and operated by the Trustees.
- 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 are the Chair, Vice Chair, Secretary and Treasurer. This responsibility cannot be delegated, unless by a decision of the Trustees, which must be minuted.
- All cheques must be signed by two signatories and all online bank transfers authorised by two signatories.
- The signatories are responsible for examining the cheque or transfer details for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an internet transfer.
- 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

Where online operation of the bank accounts is in place only Trustees approved by the committee will have access to this facility. The security of the online system is in line with the arrangements offered by the bank and in accordance with the mandated approval limits.

3.3 Payment by bank cards

Dacorum u3a does not use a bank card system. In the event that a card is required, a policy must be developed and approved by the Trustees.

3.4 Members expenditure

The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission must be sought from the Treasurer where a group feels that there is no other viable way to make payments.

Prior approval must be given by the Trustees for equipment and other items to be purchased for the use of Dacorum u3a. Once approved, it may be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim.

4 Groups' finances

Groups are expected to be self–financing and can collect such sums of money as the group members and coordinators deem to be necessary to undertake their activities. The funds of these groups belong to the u3a. Prior approval must be given by the Trustees for

Groups to make any expenditure deemed necessary by the group members and the group leadership or to withdraw money on request from the ringfenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and Coordinator(s) need to agree what records they need to keep of the groups' transactions in order to:

- allow the Treasurer to keep accurate accounts for presentation to the AGM, for discussion with the trustees and to meet regulatory requirements;
- allow the group members to understand how their monies are being managed;
- maintain transparency and trust for all concerned;
- minimise the risk of error and potential loss of funds.
- Groups are not permitted to hold cash floats

4.1 Receipts

To manage the handover of cash and cheques to be paid into the Dacorum u3a bank account the Trustees have decided that:

- bank paying-in slips will not be given to coordinators for this purpose;
- Coordinators may pay sums collected, to Dacorum u3a, by issuing their own cheque or paying online through their own bank account;
- Group coordinators must send a copy of the Group Income and Expenditure Form 2 to the Treasurer at the time of the payment;
- where applicable, receipts will be given to coordinators or acknowledged by email;
- all funds collected by coordinators for attendance at meetings must be paid into u3a funds;
- cash must not be held back for cash flow purposes.

4.2 Payments

The Trustees inform coordinators as to the approved process for payments in the Coordinators Handbook. This covers trips, tutors, speakers and all other costs. It also explains whether activities should be organised and paid for through Dacorum u3a or paid directly by members to the trip organiser.

Outside speakers should be asked to state their fees and any travel costs at the time of booking.

Where the Trustees have agreed the use of a paid tutor, the tutor must provide evidence of their self-employed status and invoice the u3a as agreed.

The Trustees (via the Treasurer) will monitor the income and expenditure of the groups. Coordinators need to provide regular information, as agreed, to the Treasurer. 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.

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 all 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.

4.4 Payments to other charities

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

5 Expenses policy

Out of pocket expenses incurred by the volunteers who are involved with running the u3a will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the Trustees. Trustees cannot authorise their own claim. Expenses will include – with the Trustees' approval – attendance at the Third Age Trust's AGM, Conference, and national/regional workshops.

All claims need to be made on the appropriate form (copies available from the Treasurer or website) 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 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 Trustees.

6 Membership Fees

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

7 Asset register

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

The register is reviewed annually.

8 Reserves

Dacorum u3a aims to keep a level of reserves that will cover at least six months of regular operating activity. This is considered by the Trustees a reasonable level for this type of charity.

Related documentation

U3a Finance FAQs (u3a.org.uk), updated 12.09.2022

U3a UK Financial Matters - Guidance- u3a-KMS-DOC-033, updated 22 Feb 2024

Gift Aid Guidance, updated 12.04.2022

u3a KMS-DOC-066– Role description – Treasurer, dated 22.02.24

Coordinators Handbook

Documents held in archive and on Treasurer's laptop

- Treasurer's Accounting Procedures
- Treasurer's General Information
- Treasurer's Handover Notes

u3a	The Third Age Trust **Knowledge Management System**
Document based on u3a UK Financial Policy Template: u3a-KMS-POL-003 with updates	15.11.2022
Document updated following Governance Sub-Committee meeting – 29th January 2024	27 Feb 2024
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