

Melbourne Area Derby u3a - Finance Policy

Trustees' financial responsibilities

The trustees of **Melbourne Area Derby 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 governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Preparing Annual Accounts in accordance with the governing document and relevant legislation.
- **Melbourne Area Derby u3a** shall adopt the Cash Accounting system.
- 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 kept under review and revised as necessary.

1. Banking

Bank accounts

- All bank accounts are in the name of **Melbourne Area Derby 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, Secretary and Treasurer. This responsibility cannot be delegated.
- All cheques must be signed by two signatories.
- Both signatories are responsible for examining the cheque for accuracy and completeness.
- Both 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.

Online banking

Where online banking is used, only account signatories will have access to the facility. The security of the online system is in line with the arrangements offered by Nat West Bank and in accordance with the mandated approval limits.

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 committee and in accordance with the bank mandate. All payments are authorised in advance by a second signatory and payments made in accordance with the bank mandate. Access to the online accounts varies from bank to bank and 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.

Payment by bank cards

Melbourne Area Derby u3a may, in the future, choose to hold business debit/credit cards. The issue of any such bank debit or credit card in the name of **Melbourne Area Derby u3a** will be approved by the committee. All such cards will be held by the signatories only. All transactions made using these cards appears immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers through the online banking service.

All card payments must be supported by an invoice or receipt made out to **Melbourne Area Derby u3a**. The use of these cards for payment of invoices requires advance authorisation of two signatories. Since online card purchase of certain goods and services represents the most effective, and in some cases the only method of completing the purchase (e.g. theatre tickets), the committee will set spending limits for any card. The limit may be per transaction, per day or per month.

Personal debit or credit cards

The use of personal debit or credit cards for interest group activities should be discouraged. 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 by specific interest groups for **Melbourne Area Derby u3a**. In these circumstances, it may be appropriate for a member to purchase the equipment themselves and reclaim the cost using a personal expense claim.

All invoices must be issued in the name of **Melbourne Area Derby u3a** not the individual.

2. Groups' finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members and leadership deem to be necessary to undertake their activities. The funds of these groups belong to the u3a. Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Groups Co-ordinator and Group Leader(s) will define how group transactions will be recorded using the Beacon system 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 the monies are being managed.
- Maintain transparency and trust for all concerned.
- Minimise the risk of error and potential loss of funds.
- Allow group leaders to maintain cash floats to a maximum of £30.00, with surplus being handed to the treasurer to be held on behalf of the group.

Receipts

To manage the handover of cash and cheques to be paid into the **Melbourne Area Derby u3a** bank account the committee has decided that:

- Group leaders may not bank cash and will transfer cash to the treasurer for banking.
- Group leaders may not pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts will be given to group leaders, or acknowledged by email.
- Where net sums are being paid over this needs to be fully recorded and demonstrated to the Treasurer.
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity).

Payments

The committee will inform relevant group leaders of 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:
- When payment for venues, coaches, tutors, speakers etc must be paid by the u3a.

Group leaders are required to provide income and expenditure information to the Treasurer by the end of October and March each year. Nil returns are required. Where groups do not comply, the committee will review whether the group is operating in accordance with the insurance and financial requirements and require compliance.

Outside speakers

Outside speakers should be asked to state their fees and any travel costs at the time of booking. Payment will be made retrospectively by the Treasurer on receipt of the invoice. Where the committee has agreed to the use of a paid tutor, the tutor must provide evidence of their self-employed status and invoice the u3a as agreed.

The committee (via the Treasurer) will monitor the income and expenditure of the groups.

Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants will 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.

Payments to other charities

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

3. 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 committee and no committee member should authorise their own claim. Expenses will include, with committee approval, attendance at the Trust's AGM and Conference or national/regional workshops.

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

4. Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. **Melbourne Area Derby 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 **Melbourne Area Derby u3a** will offer an associate rate agreed at the AGM.

5. Asset register

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

6. Reserves

Melbourne Area Derby u3a aims to keep a level of reserves to cover 12 months of operating costs. The committee considers this a reasonable level for this type of charity. 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.

Status	Action	Operator	Date
Version 00	Draft	Geoff Dowell	09/12/2019
Version 01	Adopted	Committee	
Version 02	Revised	Not presented	
Version 03	Revised	Fin Sub-committee	02/02/22
Version 03	Adopted	Committee	17/02/22
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