

Financial Policy - New Milton u3a

1 Purpose

- All charities are required to determine their 'Internal Controls' for running the charity, one of these being the Financial Controls, or Financial Policy.
- Where applicable 'Trustees' includes all committee members.

2 Trustees' financial responsibilities

The Trustees of New Milton u3a are responsible for:

- Safeguarding the assets of the charity.
- Identifying and managing the risk of loss, waste, theft or fraud.
- Ensuring that 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.
- Ensuring that the accounts 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 annually and revised as necessary.

3 Accounting method

New Milton u3a operates on a Cash Accounting (ie Receipts and Payments) system.

4 Banking

4.1 Bank accounts

- All bank accounts are in the name of U3A New Milton 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, Treasurer and up to two other nominated Trustees. This responsibility cannot be delegated.
- Payments may be made by cheque or bank transfer.
- All cheques must be signed by two signatories.
- The signatories are responsible for examining the cheque for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising a bank 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.
- All receipts should be banked as soon as possible.
- Transfers between New Milton u3a bank accounts should be agreed by the Trustees in advance at a committee meeting.

4.2 Online banking

Where online operation of the bank accounts is in place, only the Chair, Treasurer and up to two other nominated Trustees will have access to this facility. The security of the online system is in line with the arrangements offered by the New Milton u3a bank.

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.

4.3 Personal debit or credit cards

The use of personal debit or credit cards for interest group and other activities needs to be closely managed.

In certain circumstances, it may be appropriate for a member to purchase items themselves and then claim the cost as a personal expense claim.

Where possible, all invoices should be issued in the name of New Milton u3a.

5 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 leadership.

The Treasurer, Groups Co-ordinator and Group Leader(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 Annual General Meeting (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.
- Allow Group Leaders to maintain cash floats.

5.1 Receipts

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

- Bank paying in slips will not be given to Group Leaders for this purpose.
- Group Leaders may pay sums due in cash, by cheque, or paying online through their own bank account, which should be done promptly.
- The Treasurer will issue receipts for cash and cheque payments made by Group Leaders.
- Where net sums are being paid over, this needs to be fully demonstrated to the Treasurer.

5.2 Payments

The Trustees will inform relevant Group Leaders as to the approved process for payments.

The Trustees (via the Treasurer) will monitor the income and expenditure of the groups. Group Leaders 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.

Where the Trustees have agreed the use of a paid tutor:

- The tutor must provide evidence of their self-employed status by providing their UTR (Unique Tax Reference) as issued by the HMRC.
- The tutor must also produce a Public Liability Insurance Certificate as they are not covered under the u3a's insurance policy.
- An annual check should be carried out to ensure that these measures are still in place.
- Paid tutors must not be a member of any u3a.
- The group using a paid tutor cannot be subsidised by the New Milton u3a. The group must fund this themselves and promptly pay the sums due to the Treasurer.
- On receipt of an invoice to New Milton u3a, the Treasurer will make payment by cheque or bank transfer. A receipt will be required from the tutor if they are paid by cheque, but not for bank transfers.

6 Payments to Speakers

6.1 In the case of an outside speaker:

- The speaker should be asked to state their fees, travel costs and method of reimbursement at the time of booking.
- On receipt of an invoice to New Milton u3a, the Treasurer will pay by the method agreed at the time of booking. A receipt will be required for cheque payments, but not for bank transfers.
- In the absence of an invoice from the speaker, the Treasurer will ask the speaker to sign a receipt for their fee.
- A guide for the amount to be paid as a speaker's fee is to be set by the Trustees and reviewed periodically.

- Where speakers' fees are to be paid to a charity, Section 9 Payments to other charities applies.

6.2 In the case of a speaker who is a member of any u3a:

- It is not permissible to pay them a fee for any service, and this must be made clear to them from the outset. However, it is allowable to pay pre-agreed reasonable expenses, subject to the approval of the Trustees.
- On receipt of proof of expenses, the Treasurer will pay by the method agreed at the time of booking. A receipt will be required for cheque payments, but not for bank transfers.
- It is not permitted to present a u3a member with gifts (flowers, chocolates, etc) for providing a talk.

7 Other Payments

- Purchases of equipment costing over £50 need committee approval prior to purchase.
- The Treasurer will provide to the committee a list of all payments made during the period.

8 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 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.

9 Payments to other charities

The u3a Trust's guidance is that a u3a cannot raise funds for another charity that does not have similar charitable objectives.

If a speaker wishes to donate their fee to a nominated charity then this needs to be recorded in advance and either:

- the Speaker must sign a declaration using New Milton u3a's form, and then the fees can be paid directly to the charity by the Treasurer; or
- if the speaker is to be paid by cheque made payable to them, they must sign a receipt for New Milton u3a's records. In this case and payment by bank transfer, they must sign a declaration that they will pass the value of the fee to the charity of their choice.
- In each case it should be recorded in the accounts as 'speaker fees'.

Neither an outside speaker, nor any u3a member, is permitted to seek voluntary cash donations from the audience for their charity.

10 Gifts

New Milton u3a will not provide gifts (cash, flowers, chocolates etc) to any u3a member for services rendered.

11 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 and authorised by the nominated signatories. No Trustee should authorise their own claim. Expenses will include – with Trustees' approval – attendance at the Trust's AGM and Conference or national/regional workshops or meetings.

All claims need to be made to the Treasurer giving sufficient detail as to the nature of the expense and including receipts where applicable.

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.

12 Petty cash

A minimal petty cash float may be kept by the Treasurer to enable small cash payments.

13 Membership fees and membership of more than one u3a

New Milton u3a membership fee entitles members to:

- Free entry to General Meetings/Monthly Talks;
- Free national u3a magazine
- Access to our range of interest groups, where payment may be required.

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

For u3a members who can evidence membership of another u3a, New Milton u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

14 Visitors' fees

Visitors may attend up to two General Meetings/Monthly Talks subject to payment of a fee to be agreed by the Trustees.

15 Asset register

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, and location.

As New Milton u3a operates on a Cash Accounting (ie Receipts and Payments) system, all assets are fully written off against receipts in the year of purchase. The register is reviewed annually.

16 Reserves

New Milton 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 to be a reasonable level for this type of charity.

17 Independent examination of accounts

Whilst we are not obliged to arrange independent examination of our accounts under relevant legislation, the Trustees hold it best practice to have our accounts examined on an annual basis.

The independent examiner can be a member of New Milton u3a but cannot be a Trustee. They cannot be related parties to a Trustee either, this includes family/in-laws or business partners. They do not have to have an accounting background. A good understanding of basic record-keeping would suffice. The independent examiner should be appointed at the AGM.

18 Alterations to the Financial Policy

The Financial Policy can only be changed by a majority vote at a meeting of the Trustees.

This policy was adopted on 01.11.2022
Amended 06.02.2024; 07.05.2024; 04.03.2025
Reviewed 10.02.2026

Signed by the Chair _____ Date _____

Policy review date: January 2027