***Ashfield U3A***

[www.ashfieldu3a.org.uk](http://www.ashfieldu3a.org.uk)

 Registered charity number 1179797

**FINANCE POLICY**

This policy applies to All Trustees, Officers and Members of Committees of Ashfield U3A which is affiliated to the Third Age Trust, and is a registered charity.

**1 Trustees’ financial responsibilities**

The trustees of Ashfield 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.
* 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. This responsibility cannot be delegated.

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. Maintaining and Preparing Accounts

The Treasurer is responsible for maintaining financial records, in accordance with this policy, preparing the financial accounts for the annual meeting and filing with the relevant Charity Commission or regulatory body.

* All financial records and receipts will be kept for a minimum of six years.
* The accounts will record gross income and gross costs and will not be ‘netted off’.
* Bank accounts will be reconciled each month

The Treasurer is responsible for ensuring that Ashfield U3A makes Gift Aid claims in line with HMRC regulations and Charity Commission guidance.

* Declarations made by members will be kept for 6 years and the declaration form reviewed each year.
* All correspondence from HMRC and the Charity Commission will be kept indefinitely.
	+ 1. Interest groups: surplus or deficit

Although all funds belong to the U3A and may be spent as the committee directs, interest groups surplus funds and deficit balances that have arisen from particular activities will be ring-fenced so that the funding for that interest group will continue in future years until disbanded.

1.1.2 Social Subcommittee social events

Any surplus from finalised events and social activities undertaken by the Social Subcommittee will be held by Ashfield U3A in general funds and will not be available for any future event or for future years.

Any funding received or expenditure made for an event that will occur in a future year, will be ring fenced and carried forward in the annual accounts to the future year.

**2 Banking**

2.1 Bank Accounts

* All bank accounts are in the name of Ashfield U3A and operated by the trustees.
* New accounts may only be opened by a decision of the trustees, which must be minuted.
* Existing accounts may only be closed 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 Chairman, Vice Chairman, Secretary and Treasurer and other Trustees where appropriate. This responsibility cannot be delegated.
* 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 Bacs payment.
* All bank statements must be sent to the Treasurer directly.
* Blank cheques will never be issued.

**2.2 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 Barclays 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 accordance with the bank mandate.
* Payment via the Bankers Automatic Clearance system [BACS] is made as follows:
	+ The treasurer will check and record the amounts due and process the bacs payment up to the confirmation stage and email relevant officers to inform them that the payment is due for authorisation.
	+ On receipt of the notification, the authorised on line user [a Trustee] will, once satisfied that the payment is due, access the banking online system and authorise the payment.

2.3 Payment by bank cards

The issue of any bank debit or credit card in the name of Ashfield U3A will be approved by the committee. The use of these cards overrides the dual control aspect of the payment authorisation process, but is permitted, where agreed in advance in recognition that online purchases for certain goods and services represents the most effective, and in some cases, the only method of completing the purchase (e.g. theatre tickets).

Ashfield U3A committee will determine whether a credit card in the name of Ashfield U3A will be obtained. A credit card offers the buyer more protection should the supplier fail to deliver the goods or services purchased. A credit card will only be obtained for the Treasurer who will then be responsible for making purchases on behalf of Committee or Group Leaders. The Treasurer will also be responsible for managing the Credit Card account which, other than in exceptional circumstances approved by the Committee, will be paid in full on receipt of the Credit Card Statement.

Ashfield U3A holds the minimum number of debit cards to enable purchases that cannot practically be made by cash or cheque. The cards are held by mandated cheque signatories.

The committee will predetermine the spending limits for any card:

* Expenditure where funds have previously been banked at least 7 days prior to the use of the debit card; the limit is the amount of funds banked.
* Expenditure where general funds are to be used for the purchase of legitimate goods or services for the exclusive use of Ashfield U3A, up to £200 by the Treasurer for regularly incurred expenses [e.g. use of Ashwood Centre] and up to £100 for all other debit card holders.
* Expenditure where general funds are to be used exceeding the above must be approved by the committee prior to the use of the debit card.

All transactions made using these cards appear 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.

Each card issued may only be used for legitimate expenditure incurred by Ashfield U3A. Payment by use of debit card must be made in conjunction with the completion of the Debit Card Authorisation form, accompanied by relevant invoice or receipt. The debit card expenditure form must be given to the Treasurer at the earliest possible time after use of the debit card.

The Treasurer will monitor expenditure use by debit card and report back to committee regularly.

Misuse or unauthorised use of credit cards and/or debit cards will result in the immediate withdrawal of the debit card authorisation and steps taken to recoup any losses.

**2.4 Personal debit or credit cards**

It is expected that the use of personal debit or credit cards will be kept to a minimum.

Wherever possible, if large purchases have to be made, the group concerned should request a holder of an authorised Ashfield U3A credit or debit card to make the purchase on their behalf. If the expenditure is for small items, the group should, in the first instance, use petty cash from a float held by their particular group.

If neither of these options is possible, the individual may use their own debit or credit card and seek reimbursement of expenses by completing the Expenses Claim Form. Please note that expenses that exceed £100 will need the approval of committee before reimbursement and that this may delay payment to the individual.

Prior approval must be given by the committee for equipment and other items to be purchased for the use of Ashfield U3A or specific interest groups. All invoices must be issued in the name of Ashfield U3A.

3 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 within any limits set by the Committee.

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 ringfenced funds held by the U3A on their behalf, as appropriate.

Ashfield U3A has a duty to record gross receipts of income and all expenditure made, whether or not those amounts have been managed by the Treasurer. Group leaders must, therefore, regularly, and at least annually, submit to the Treasurer a full record of all monies collected, expenses paid and the balance held by the group.

Ashfield U3A’s year end is 28th February so this is the target date for completion of statements from group leaders. Submission to the Treasurer must be made before the AGM to enable the Treasurer to produce a full and detailed report of all Ashfield U3A activities.

The committee (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 committee will review whether the group is legitimately operating in line with financial requirements.

Group leaders may, if they wish, bank all of their group receipts with the Treasurer and submit invoices for payment to the Treasurer for payment. If they choose to do this, they are encouraged to maintain a float, appropriate for their particular group [usually £50] to ensure they can make incidental payments when necessary.

Group leaders, if they only incur single invoices on a regular basis, e.g. weekly rent, may give the Treasurer just that amount from their ‘takings’ to cover the rent.

Group leaders are discouraged from using their personal bank accounts to deposit cash or cheques from individual members of their group. This practice carries risks for the group leader, easily overcome by taking advantage of the banking system offered to them through Ashfield U3A.

Where a group leader feels that their particular group best functions by them using their personal bank account, they should discuss this with the Groups Coordinator or the Treasurer who will bring the circumstances to the attention of the committee for discussion. Any action that is required by the group leader after the committee have discussed the situation will be fed back to the group leader.

The issue of cash floats can be facilitated by written request to the Treasurer. Groups should hold the minimum cash amount suitable for their particular group and take into consideration who is going to take responsibility for holding this cash amount. Requests for cash floats exceeding £50 will be referred to the committee for consideration before the cash is issued.

To reimburse cash floats, groups will need to collate receipts for payment and submit them to the Treasurer for cash to be ‘topped up’ back to their float level. Where a receipt is unavailable or lost, a petty cash voucher will need to be completed instead [available from the treasurer]

3.1 Receipts

To manage the handover of cash and cheques to be paid into the Ashfield U3A bank account the committee has decided that:

* Bank paying in will be made by the Treasurer/Vice Treasurer in all instances.
* Where requested, receipts will be given to group leaders for cash/cheques given to Treasurer/Vice Treasurer for banking.
* Events and trips net sums, when being paid over need to include a summary of gross income received and details of expenditure made to fully demonstrate the actual Income & Expenditure to the Treasurer.
* Cash held back for cash flow purposes will be within the U3A’s approved limits (see cash floats in 3 above).
	1. **Payments**

Payments due in connection with groups will be made:

* By the Treasurer by cheque on receipt of a Cheque Request Form or
* By the Treasurer by cheque or BACS on receipt of an invoice from the supplier or
* By a group leader who holds an Ashfield U3A debit card, who will then complete and give to the Treasurer a Debit Card Authorisation Form.
* Coaches organised by Group Leaders must be paid by Ashfield U3A which will either be by the Group Leader using an authorised Ashfield U3A debit card or by arranging for another debit card holder to make the payment on their behalf. Once paid the Group Leader must complete and give to the Treasurer a Debit Card Authorisation Form.
* Holidays organised by Group Leaders using a Coach company should be paid by the individual participants issuing personal cheques to the Coach company. Where this is not possible, arrangement for payment should be discussed and agreed with the Treasurer who will make the payment on the group leader’s behalf.
* Any commission received by Ashfield U3A as a result of using a travel firm [eg Riviera Travel] will be claimed by the Treasurer and be held by Ashfield U3A in general funds.
	1. Tutors

All paid tutors must be approved by the committee prior to their use. Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the U3A as agreed.

Invoices will be paid by the Treasurer by cheque or BACS on receipt of the invoice.

1. 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 will not benefit from any discount (e.g. a free place) offered by the organisation providing the event. The value of free places will be shared out among all participants to the event after the free place[s] has been confirmed.

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.

1. Speakers

Outside speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer via the Cheque Request Form.

1. Payments to other charities

In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives.

Ashfield U3A may make payments to a specific charity in lieu of payment to a speaker if requested to do so by the speaker and where the speaker is not a member of the U3A. In this instance a full audit trail will be kept via the cheque request form to ensure that there is clarity for audit.

Any member of Ashfield U3A carrying out a speaking engagement, is acting in a voluntary role and cannot be reimbursed for this activity.

Ashfield U3A may, on occasion, forward funds collected to a specified charity where

* This had been specifically agreed at committee and minuted
* Those contributing to the charity are aware at the point of donating that those funds are not Ashfield U3A funds but are being collected for the nominated charity.
* The funds will be paid into the bank account as a gross figure and paid to the nominated charity in full as soon as possible after collection.
* A full audit trail will be kept by the Treasurer to ensure transparency of the transaction.
1. Honoraria

Ashfield U3A may make an honorarium payment at the Committee’s discretion should they decide that this type of payment is relevant and proportionate in any given circumstance.

Any situation where an honorarium is being considered will be discussed, agreed and minuted at committee.

1. 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 a committee member but no committee member may 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 [45p per mile approved by HMRC 2012]. 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.

9 Membership Fees and membership of more than one U3A

The membership fee is reviewed on an annual basis. Ashfield 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, Ashfield U3A will reduce the cost of membership by the amount that is paid to the Trust for each member.

1. Asset register

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, depreciation applied and nominal value. The location of assets is recorded in the Ashfield U3A Inventory.

Beginning in March 2019, Ashfield U3A will prepare accounts based on the Accruals basis in preparation for potentially exceeding a £25,000 turnover when SORP regulations will apply.

From March 2019, depreciation of assets where the purchase price is greater than £100 will be applied on a 3 year straight line basis reducing the residual value of the asset to nil in the accounts following 3 years. Purchases of Assets where the purchase price is less than £100 will be recorded in the Asset Register but written back within the year of purchase.

The committee, when offering assets for sale to members must do so in a fair and transparent way to ensure no bias. The cost of any goods offered for sale will be agreed by the committee.

11 Reserves

Ashfield U3A aims to keep a level of reserves that will cover 6 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

Groups and 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.

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