Financial Policy Berwick upon Tweed 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.

This Financial Policy simply documents the current financial procedures of our u3a, and from this a more detailed policy may evolve in time.

Where applicable “Trustees” includes Board of Trustees /Board of Directors or committee members.

2 Scope

Berwick upon Tweed u3a

3 Trustees’ financial responsibilities

The trustees of Berwick upon Tweed u3a are responsible for:

- Safeguarding the assets of the charity. To this end all the money that they agree to spend must support the aspirations of this u3a, the spend must be agreed by a quorate committee, recorded in the minutes and where money is spent on social gatherings every attempt must be made to ensure every member is able to take part if they so wish.
- 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 showing a true and fair view of the state of affairs of this u3a.

Trustees are jointly responsible for keeping full financial records, and in practice most of the day to day responsibilities will devolve to the Treasurer, these include those of the u3a and all the interest groups, sub-groups etc., where appropriate. The treasurer will always be supported by the committee members and all decisions for larger spending will be taken by the committee as a whole.

To enable the trustees to carry out these responsibilities, the financial procedures detailed below are being and will continue to be followed.

A copy of this policy will be available 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.

4 Banking

4.1 Bank accounts

- We hold a Charity and Community Bank Account with the Co-operative bank. The bank account is in the name of Berwick upon Tweed u3a and is operated by the trustees.
- We also have an instant access saving account also held with the Co-operative bank.
- New accounts may only be opened by a decision of the trustees, which must be minuted and reasons for this action given.
- Changes to the bank mandate may only be made by a decision of the trustees, which must be minuted.
- All bank statements are sent to the Treasurer directly
- Whenever practical two people should be involved in counting cash receipts. (At present when the treasurer receives cash they ask how much it is and make a written note. Counting money in a public place is poor practice so there is a certain amount of trust involved.)

4.2 Online banking

We operate online banking and only trustees approved by the committee have access to this facility. The security of the online system is in line with the arrangements offered by The Co-operative Bank and in accordance with the mandated approval limits.
Payments are only made on production of an invoice or receipt. The payment is made through the bank account, or by using our debit card. We no longer use cheques.

4.3 Payment by bank cards

Berwick upon Tweed u3a do have a bank card. Payments can be made using this card by the Treasurer or the Chair as they both have a card. Receipts and a short explanation must be provided to support these purchases in order to ensure any audit of the accounts will satisfy the auditor.

4.4 Personal debit or credit cards

These may be used by members to purchase pre agreed items for the general use of our u3a. On production of the itemised receipt this money will be reimbursed by the treasurer via a bank transfer.
We do not purchase items for specific groups as these should be self-supporting. This is in line with general u3a policies.

5 Groups' finances

Interest groups are expected to be self–financing and will not be supported financially by general funds. They can collect such sums of money as the group members and their leaders deem to be necessary to undertake their activities. In theory the funds of these groups belong to the Berwick upon Tweed u3a and if the group closes any remaining money should go back into the general account. Groups are permitted to make any expenditure deemed necessary by the group members and group leaders should pay the same amount as the other members towards the required costs.
All groups are expected to either pay their room charges on the day of use or to nominate a group member to be responsible for managing the groups finances by banking the money into their own bank account and then paying the money to the room hirer by whatever means the room hirer requests. Due to restrictions placed on our u3a by The Post Office we are only supposed to offer full bags of coins or notes for banking, whereas anyone with a personal bank account may bank small amounts of money into their own account. In general, the committee will not interfere in any aspect of the running of groups. However, if wrong doing of any kind is suspected they have a duty to investigate.
Group leaders are provided with group Finance Sheets so that they can, if they wish, record their weekly/monthly income and payments.During March each year group leaders will be asked to provide the value of their cash in hand this will be recorded as part of the accounting process leading to the preparation of the end of year financial report. Support will always be available to those handling group finances to help them ensure they are holding neither too small or too large a float.
The Nature Trail group have ring fenced money in our u3a bank account and the group leadership can use this money on request to pay for the ongoing support of the Nature Trail.

5.1 Receipts

To manage the handover of cash and cheques to be paid into the Berwick upon Tweed u3a bank account the committee has decided that only the treasurer or other committee member can pay money and cheques into our bank account.

5.2 Payments

Payments of any kind will only be made on production of an itemised receipt or an invoice.

Outside speakers sometimes expect remuneration. They should be asked to state their fees and any travel costs at the time of booking. We cannot pay money to another charity on behalf of a speaker. Although we can pay a charity if they provide a service, we cannot donate money to another charity. This is forbidden by the Charity Commission.

5.3 Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants pay appropriately.
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.
As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.
Organisers of social activities should ideally receive members payments for an event before the member’s place at the event is confirmed. This may not always be possible but the organiser should never be out of pocket and any member who owes the organiser money may face sanctions until that money is paid. Sanctions can include suspending the members' membership of our u3a which means that the member will not be able to attend any groups. Complete failure to pay money owed will result in expulsion from our u3a and a bar from rejoining.

5.4 Payments to other charities

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

5.5 Financial Loan to Groups

In the exceptional circumstances that a new or existing group has a need to purchase equipment or raise monies to support their group (not consumables, day to day running costs or other commodities which can be purchased through group subs) a group may apply for a loan (min £25) from Berwick u3a using the required proforma. The group as a whole needs to agree beforehand that a loan is the appropriate way forward and they will need to establish how and when the loan will be repaid. The following steps need to be followed:

- The Group as a whole agree on a loan request
- The Group Leader or representative(s) contact with Berwick u3a Groups Coordinator to discuss the validity of the loan request
- The Group complete the Loan Request proforma and submit it to the committee
- The committee discuss the request. The committee can agree to or refuse the request
- The group can decide how the repayment monies are raised within the group; however the loan must be repaid as a lump sum (before 30th June of that u3a year)

All items purchased will be the property of Berwick upon Tweed u3a and will be added to the asset register. The signatory on the loan application form is responsible for the monies to be repaid; if the money is not repaid in a timely manner as per the agreement then the group may be withdrawn from the u3a.

6 Expenses policy

Expense claims including purchases must be agreed in advance and submitted with receipts. Expense claims will be authorised by the executive 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 executive committee.

7 Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Berwick upon Tweed 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, Berwick upon Tweed u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.
If the member agrees, at present, we are able to claim Gift Aid on the whole of the Membership fee. In order to do this HMRC assumes that the membership fee is a donation to our u3a and as such is non-returnable.

8 Asset register

An asset register is maintained by the committee. This 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.

9 Reserves

Berwick upon Tweed u3a aims to keep a level of reserves that will cover 9-12 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity and taking into account the uneven distribution of income and spending. Because almost all of our non-hypothecated income comes from membership fees most of this arrives in August and September, however at the beginning of April we have to pay our fees to the Third Age Trust (our overall governing body). This charge is non-negotiable. To ensure that we can always pay this charge our reserves are reviewed annually. However, this is under constant review and if we can lower it we will, as it is our intention to keep the yearly membership fee as low as possible.

Questions?

Please speak to any Committee Member.

This policy is under constant review.

u3a	**Doc u3a Finance policy**	The Third Age Trust
Version 1	Description of changes: revised and updated.	Date 20/11/2023
		3/3/2024
Version 2	Banking and group finances revised and updated	24/9/25
Version 4	Group finances revised	
Version 5	Loans to Groups text added	10.9.26