



## *Malmesbury and District U3A*

# **FINANCIAL POLICY AND PROCEDURES**

## **TRUSTEES' RESPONSIBILITIES**

All Trustees must ensure that their U3A:

- Abides by its constitution.
- Safeguards its assets.
- Exercises effective control over all of its financial activity. Trustees cannot delegate their responsibilities in this matter.

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.

All funds and assets belong to the U3A regardless of which activity or interest group creates them, so the Trustees are responsible for their safekeeping.

## **THE TREASURER'S RESPONSIBILITIES**

- Maintain the financial records in accordance with the financial policies
- Maintain the financial records in accordance with the applicable charity law
- Manage the bank accounts in accordance with the financial policies
- Prepare accounts and budgets for committee members and meetings
- Prepare annual accounts for the AGM, publication and filing
- Ensure that an Asset Register is maintained

**This policy lays out the procedures by which Malmesbury and District U3A complies with the above.**

## **1. INTERNAL FINANCIAL CONTROLS.**

- i. **i. No single person shall have sole responsibility for monetary transactions.**
- ii. **ii. The Finance Subcommittee** shall comprise The Treasurer, The Chairman, Business Secretary, Vice Chairman and Membership Secretary. Any three shall constitute a quorum.
- iii. **iii. Lloyds Account:** The approved signatories are the Chairman, Business Secretary, Treasurer and Membership Secretary
- iv. **iv. Cheques** shall be signed by **two** approved signatories. No blank cheques shall be signed. Internet payments shall have dual authorisation by **two** approved signatories.
- v. **v. Petty cash** held by the Treasurer shall be no more than £100. Any payment of up to £75 can be made from Petty Cash by the Treasurer without prior authorisation.
- vi. **vi. Payments** which have been budgeted for, which are regular or usual and are in line with previous year's accounts can be paid out by the Treasurer with secondary authorisation.
- vii. **vii. All other payments** must be approved by a quorum of the Finance Subcommittee and if agreed, subject to the usual dual authorisation of the cheque or transfer.
- viii. **viii. PayPal account:** The PayPal account balance shall be checked monthly. Funds in excess of £1000 shall be transferred to the Lloyds Account. Movement of money from the PayPal account must be approved by a member of the Finance Subcommittee.
- ix. **ix. The Chairman** can spend up to £50 quarterly without prior authorisation.
- x. **x. Documents** supporting the validity of **all** payments must be obtained, and presented before authorisation. All transactions must be recorded. All monies, cheques and security codes must be kept securely.

## 2. REGULAR CHECKS AND PROCEDURES

- i. **Regular checks** shall be made on the accounting procedures.

The Treasurer shall keep accounts on a Cash Receipt & Payments Basis. M&D U3A's financial year is 1st April to 31st March.

The Treasurer shall produce quarterly intermediate (July and January) reports to the Trustees, containing Bank Reconciliations, account balances and budget considerations

The Treasurer shall produce a half yearly report in November of the full accounts to the Trustees, and a full report and full accounts prior to the AGM in April. Prior to presentation of these reports, an independent person should check that accounting procedures have been properly carried out. The end of year accounts should be checked by a non-committee member. Trustees should be vigilant to prevent loss, waste, theft etc of the charity's assets.

## **ii. Budgets and Reserves**

An annual budget shall be agreed in November (when renewals are complete) for M&D U3A as a whole and for each cost centre (listed below). The authority level for spending by each cost-centre without further consultation should also be set, notwithstanding the dual authorisation process when the actual transaction is processed. Budgets for events should be decided prior to the event.

Special expenditure should be referred to the Committee for approval. Budgets should be reviewed annually.

M&D U3A aims to keep a level of reserves (£4,000 ) which will cover six months of regular operating activity (excluding social activities), bearing in mind that major expenditure (Beacon, Capitation, and the Third Age Magazine ) falls due in April.

## **iii. Payments to Speakers**

M&D U3A will make reasonable payments to professional speakers leading the Monthly Meeting. Speakers sometimes indicate they will donate their fee to a specific charity. M&D U3A will use the TAT form (see Appendix) to obtain the Speaker's explicit written indication that the donation is at his/her request in lieu of a fee. (M&D U3A cannot make payments to another charity directly unless it has the same charitable objective.)

U3A speakers are volunteers and receive no payment.

## **iv. Group Leaders' Accounts**

Group Leaders should keep simple accounts on a Receipts and Expenses basis. These accounts should be presented to their groups for checking at the end of March to maintain transparency and trust, and then submitted to the Treasurer by 7th April, as they have to be included in the end of year accounts. Cash held by each group at the end of the financial year should not exceed £100.

Groups should be self-financing. Sufficient funds should be collected before paying bills so that personal money is not used. Groups may book their own venues but receipts should be kept with their accounts.

Where trips are arranged with self-transport and members paying their own entry fee, records of these transactions need not be kept.

Money for events for which members pay cheques to M&D U3A (which must be made out in full to *Malmesbury and District U3A*) and tickets and/or travel are purchased on their behalf by the M&D U3A, are accountable by the Treasurer, and invoices must be obtained, before payments are made.

#### **v. Assets Register**

An assets register shall be maintained by the Treasurer, giving date of purchase, initial purchase price, estimated nominal value and where located.

*Note:* Assets are fully written off in the year of purchase under the Receipts and Payments accountancy system.

#### **vi. Bank Cards**

M&D U3A does not generally approve the use of personal debit or credit cards for running the organisation. However, committee members may spend up to their cost centre budget limit using any payment method and apply for reimbursement from the Treasurer, with receipts.

### **3. MISCELLANEOUS ISSUES**

#### **i. Card Payments**

If there is no other way of dealing with a transaction (not subject to 2.vi above) other than by card payment, then permission must be sought from the Treasurer or a member of the Finance Subcommittee.

#### **ii National Conference**

If reserves allow, M&D U3A will pay the cost of up to two delegates to the National Conference, including hotel accommodation, plus mileage at the agreed rate.

#### **iii. Other Expenses**

All committee members have a cost centre budget to allow for ad hoc expenses of up to £25. Receipts must be provided for reimbursement. Other out-of-pocket expenses could be considered by the Committee individually on their merits. Currently no other expenses are paid to volunteers.

**iv. Gift Aid** will not be claimed until M&D U3A has a need for extra funds.

### **4. COST CENTRES, BUDGETS and AUTHORITY LEVELS**

#### **i. The Budget i**

The amount estimated for each cost centre's expenses will be set annually, each October.

**ii. Authority levels:**

The maximum amount those responsible for each cost centre can spend annually without prior authorisation from the committee. Currently, these have been set at the following levels.

Speakers.....	£500
Handbooks.....	£500
Membership.....	£400
Newsletter.....	£ 75
Social Functions.....	£250
Publicity.....	£100
Webmaster.....	£ 50
Committee members.....	£ 25

**Annual Review to be by 31st October by the Finance Subcommittee**

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**APPENDIX:**

**SPEAKER'S CHARITY DONATION FORM**

**To Malmesbury and District U3A:**

Please pay the fee / expenses due to me as speaker at your U3A

meeting on ..... to the following charity:

.....

being a donation paid on my behalf to that charity.

Signed:

Date: