



MOSELEY, KINGS HEATH & DISTRICT U3A

FINANCE POLICY AND PROCEDURES

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FINANCE POLICY AND PROCEDURES

1 Introduction

Each u3a is required to set down its financial policies and procedures. This document defines the processes that Moseley and Kings Heath u3a will use for its financial matters. The policy will be kept under review (at least every 3 years) and revised as necessary. A copy of this document will be given to all Trustees on their election/appointment to the Executive Committee and to Interest Group Facilitators (IGF's) and made available to members on the website.

This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Trustees of Moseley and Kings Heath u3a will manage all the organisations financial affairs. The Trustees are accountable to the Membership for any non-compliance with this policy.

The policy will be kept under review and revised as necessary.

2 Trustees' Financial Responsibilities

The trustees of Moseley, Kings Heath & District u3a are financially accountable 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.
- Ensuring 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.

3. Financial Administration

Moseley, Kings Heath & District u3a's main source of income is the annual subscription payable by members. This covers the cost of monthly general meetings, administration, newsletters, Third Age Trust membership subscriptions, including the magazine, bank charges and some miscellaneous expenses. Subscriptions are reviewed annually: that for basic membership being set (for which Gift Aid can be claimed) and separately any additional fee required to cover further costs associated with attending interest groups and meetings (other than general meetings).

Gift Aid is claimed annually from HMRC and members who pay sufficient tax are encouraged to register for this.

The level of any subsidy to venue costs is set out in the Venue Policy.

The financial year for Moseley, Kings Heath & District u3a is 1 April to 31 March. Day to day management of the finances is undertaken by the Treasurer who reports on the financial position to each committee meeting and who also submits a report to all members for the Annual General Meeting.

A second trustee will also have full access to the PayPal and bank accounts, as detailed below.

The accounts are independently examined at the end of each financial year.

3.1 Banking

3.1.1 Bank Accounts

- All bank accounts are in the name of Moseley, Kings Heath & District 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 for cheques are the Chair, Vice Chair, Secretary and Treasurer. This responsibility may only be delegated, where circumstances dictate (e.g. non-availability of nominated signatories), by a minuted decision of the trustees and in accordance with the bank mandate.
- 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 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.
- The Executive Committee may, by minuted decision (e.g. when setting the budget), pre-approve the Treasurer to make all regular payments within set limits e.g. venue hire, printing costs, TAT charges and monthly speakers.
- Receipts for expenses and any additional charges will be agreed and minuted by trustees.

3.1.2 Online Banking

The primary means of receiving monies and making payments is through online banking. 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 Executive Committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate.

The Primary User is the Treasurer, but a second trustee, nominated by the Committee (which must be minuted) will have full access to the account. This trustee will regularly monitor the bank account and may also occasionally deposit payments and settle bills.

Bill payments in excess of £1,000 made through online banking must have prior approval in writing by 2 cheque signatories: approval can be by email.

The security of the online system is in line with the arrangements offered by HSBC and in accordance with the mandated approval limits. Access to the HSBC online banking system is by the bank's app or by logging on to the bank system with a personal password, access code and security device.

When making payments through online banking the person executing this must:

- examine the payment documentation (purchase invoice etc.) prior to authorising an internet transfer and
- examine the payment instruction for accuracy and completeness.

3.1.3 Payment by Bank Cards

Moseley, Kings Heath & District u3a do not hold any bank cards and they may only be obtained with the prior approval of the Committee, which must be minuted. At such a time provisions for use of the bank card, in line with u3a guidance at the time, will be determined.

In circumstances where a member has or may need to use their own credit or debit card when arranging activities on behalf of the u3a please refer to the '**Procedure for Paying for Social Events**'.

3.1.4 PayPal Account

Moseley, Kings Heath & District u3a also hold a PayPal account to be used solely for receipt of annual subscriptions. This is the preferred method of receiving subscriptions, though they can also be paid by cheque or in cash. The Treasurer and a second trustee will both have full access to this account.

4. Interest Group Finances

Most interest groups are self-financing, meeting in homes or public spaces. When it is necessary for a group to meet in a paid for venue Moseley, Kings Heath & District u3a will subsidise costs from general funds, up to a maximum level, as set out in the Venue Policy.

The level of subsidy of venue costs across the Moseley, Kings Heath & District u3a will be no more than 25% of the income from membership subscriptions, both to facilitate the claim for gift aid, and as a matter of equity as many members do not benefit from any such subsidies.

Interest Group (IG) costs are not included in the 'Basic Membership' portion of the subscription fee. A separate 'additional fee' is levied, as part of the subscription fee, to cover any u3a costs associated with attending Interest Groups and meetings (other than general meetings); for example any contribution towards venue costs where groups are unable to meet in members homes or public venues. For IGs meeting in paid for venues Moseley and Kings Heath u3a operate a 'pay as you go' payment scheme as set out below.

4.1 Groups Meeting in Paid for Venues

Members of groups meeting in paid for venues must contribute to the costs through payment of Group Meeting Costs (GMCs). The maximum level of subsidy allowable for each group is set out in the Venue Policy and at the start of each financial year the Treasurer will advise each Interest Group Facilitator (IGF) of the average sum of money they need to collect from members for each session. In the event of room hire charges changing the Treasurer will advise the IGF of the new level of contribution required.

The IGF and group members must agree how the requisite sum of money will be collected.

No single formula is in place in the Moseley, Kings Heath & District u3a as to how groups should meet their costs, or the level of contribution required. In most groups members pay periodically regardless of attendance while in others members only pay on attendance at the group meeting. This is acceptable but if there is a shortfall the group must be prepared to make additional payments to cover the deficit.

If circumstances prevent the group members paying the level of contribution as set out in the Venue Policy, the IGF must contact the Treasurer and the circumstances of the group will be considered by the Committee who may be able to agree other arrangements with the IGF.

All money, once collected, is the property of Moseley, Kings Heath & District u3a, but as detailed below it may be retained in part, or in full, by the IGF to meet costs for the group activity (which may include venue hire, provision for refreshments, materials to support activities).

Normally money collected as GMCs cannot be refunded to a member, but this may be allowed in exceptional circumstances by agreement with the Treasurer and a second trustee nominated by the Committee.

Groups which are able to meet their costs in full, may by prior agreement of the Committee, be financially self-managing. They will then receive and pay invoices for venue hire, meet all costs for materials for the group and provide an annual report of their income and spend to the Treasurer.

Groups which require a subsidy for their venue costs may retain a small sum to cover the cost of refreshments and then transfer to Moseley, Kings Heath & District u3a at least the sum needed for venue costs, in line with the Venue Policy, by the end of the month in which the money was collected.

4.2 Purchase of Materials and Equipment

IGFs may retain money from GMCs over and above venue costs for the purchase of materials or equipment for their group. Surplus funds should be kept to a minimum and normally not more than £100 should be held in petty cash by any IGF or their delegate in the interest group, though this may be extended to £1,000 for specific groups with the prior agreement of the Committee. Any surplus above these limits must be paid over to the u3a.

Purchases should be agreed between members of the interest group.

Prior approval must be given by the Executive Committee for equipment and other items to be purchased for the use of Moseley and Kings Heath u3a or specific interest groups. In these circumstances, it may be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim. However,

this process is discouraged and should be avoided if possible or minimised at least. All assets purchased are the property of Moseley and Kings Heath u3a.

Receipts detailing all purchases must be obtained and signed by 2 group members (of which one may be the IGF.)

Any equipment or materials bought from GMCs should be held by a member of the group, normally for use by the members of that group, but legally is the property of the u3a as a whole and must be notified to the Treasurer in the group's annual return. Equipment and materials purchased will be included in the asset register.

4.3 Exceptional Costs

In general group members should bear the cost of new materials or equipment but in exceptional circumstances a group can apply to the Committee to subsidise a purchase by a group.

Any request for an exceptional grant should be made in writing to the Treasurer, detailing what is asked for and costs. In considering the request the Committee may take into consideration the overall financial position of the group.

4.4 Social Activities and Events with Outside Speakers

Events such as theatre trips, visits, educational days out or involving outside speakers must be charged at cost and all participants pay appropriately. The money paid by members must cover any out-of-pocket expenses.

Out-of-pocket expenses can be paid to an organiser from money collected for the event. As all u3a members offer their services free to the movement, the organiser(s) must not receive any personal advantage or pecuniary benefit from organising the event e.g. the value of free places must be shared equitably among all participants to the event.

Payment for the activity must be made by group members to the organiser who should settle fees directly with the service provider. Members are expected to fully meet these costs, but in exceptional circumstances the IGF may request a grant, in writing to the Treasurer, detailing costs and the reason these are not being fully met by the group. A decision would be made at the following committee meeting.

The Executive Committee will inform relevant Group Facilitators in writing of the approval process for payments relating to:

- When a trip or event is organised by and paid through the u3a.
- Trips and holidays involving more than 24 hours must be booked and paid for by members through a registered tour operator which can be the local u3a.
- When payments may be deducted from activity revenue.
- When payment for venues, coaches, tutors, speakers etc must be paid by the u3a (the Treasurer).

The Executive Committee should agree or otherwise to the use of any paid tutors or speakers for Groups. If approved the proposed tutor or speaker must provide evidence of their self-employed status (if applicable), state their fees and any travel costs at the time of booking, and invoice appropriately after the activity. Where a paid tutor is hired for activity classes they need to provide evidence of holding Public Liability Insurance.

4.5 Record Keeping

Moseley and Kings Heath u3a operate a Pay As You Go scheme for Interest group meeting and venue costs and they are not included in the Basic Membership element of the subscription.

All IGFs of groups collecting Group Meeting Costs (GMCs) or money for outings must ensure that a record is maintained of: income, expenditure, and equipment purchased; and provide a summary annual report of this to the Treasurer 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 their monies are being managed.
- Maintain transparency and trust for all concerned, and as a safeguard for the IGF.
- Minimise the risk of error and potential loss of funds.
- Allow group facilitators to maintain cash floats. Such cash floats should not exceed £100 unless previously agreed by the Treasurer.

The maintained record and annual report will be in a prescribed format recording^{3,4} monies in and out, including provisions for refreshments and materials or equipment purchased.

The Executive Committee (via the Treasurer) will monitor the income and expenditure of the groups. IGFs need to provide information at the end of November and March to the Treasurer. This will take the form of a simple recording and reporting sheet. Where groups do not comply the Executive Committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

Interest groups are expected to be self-financing and can collect such sums of money as the group members and facilitator 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 facilitator.

Surplus funds should be kept to a minimum. Any surplus belongs to Moseley and Kings Heath u3a and should be paid over to the u3a. The Treasurer may agree to waive this if the sum is to be carried forward for a specific purpose in the next financial year.

Items that may be excluded from Group finance reporting include:

- a) Expenditure on light refreshments e.g. tea, coffee, does not need to be reported if paid for separately.
- b) Any lunches or meals out, which are not part of the core group activity do not need to be reported, as they are not deemed to be u3a activities.

c) Holidays booked directly through a travel agent/tour company/hotel with individual members paying the provider direct. If it is easier, the organiser can collate and post the individual cheques to the provider.

Periodically the Treasurer will provide financial summaries to IGFs of all groups for which venue costs are paid in part from general funds to enable the groups to manage their income to an appropriate level.

Group accounts and receipts/invoices over £75 must be sent to the Treasurer with the annual report and will be retained for six years so that they can be inspected if necessary.

4.6 Receipts

IGFs of groups for which venue costs are paid via the u3a bank account, should transfer money to Moseley, Kings Heath & District u3a to at least cover venue costs to the agreed level by the end of the month in which the money was received. For those using online banking, payment should be by BACS to the Moseley, Kings Heath & District u3a bank account. Groups may pay in advance at the treasurer's discretion. However, it is preferable that GMC payments are kept within the financial year.

Others may arrange to transfer the money to the Treasurer by other means. A receipt will be given to the group facilitator: this may take the form of an acknowledgement by email.

Bank paying in slips will not be given to group facilitators for transferring money to the u3a bank account.

When materials need to be purchased for group activities the IGF may use their personal bank card or cheque book, but a receipt must be obtained and signed by another member of the interest group to verify the purchase for u3a. The second person should not be in a close relationship with the person initiating the purchase.

Members organising coach trips or similar events should confirm receipt of payments by members in writing. This would normally be by email, unless the member making the payment does not use this. If a member requests written confirmation of any cash payment (for example for GMCs) the IGF or other recipient, should provide it, which may be by email.

5. Payments to Other Charities

In line with charity law, the u3a cannot raise funds for another charity that does not have similar charitable objectives. Moseley, Kings Heath & District u3a will make payments to speakers who have indicated that they intend to donate their fee to a specific charity but not directly to their nominated charity.

6. 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.

- No trustee can authorise a payment to themselves.
- Expense claims up to £50.00 can be approved by the Treasurer.
- All expenses claims in excess of £50.00 must be approved by at least 2 trustees, neither of whom can be the person submitting the claim.

All claims need to be accompanied by written material giving sufficient detail as to the nature of the expense (for small sums this may be written onto the receipt).

Expenses may include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

All 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. Procurement Process

For any procurement of a large value (above £1,000) item there must be a documented competitive tender process in place. This is applicable for any capital item or service. If a service, then the above value refers to either a one-off charge or an annual charge. The EC must agree to the tendering process for the particular contract or purchase order, and this must be agreed before the actual activity is started. If there is required to be any change to the agreed process during the process, the reasons must be explained to the EC and accepted by them. Prior to the final actual commitment the EC must approve the proposed conclusion.

Any commitment below the figure above can be single sourced but the EC should still approve the award recommendation.

8. Asset Register

An asset register is maintained by a nominated trustee 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.

9. Investments

9.1 Moseley and Kings Heath u3a has as its prime consideration that it is merely holding money on behalf of its members. While the u3a will seek to obtain the best investment returns available, the security of funds will take precedence over returns on investment.

9.2 Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF).

9.3 These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee (limited to £85,000 per institution).

The COIF is not covered by the FSCS guarantee, however, has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.

9.4 No investments will be made into stocks, shares, gilts, or bonds as the risk level would be too high.

9.5 All individual investments must be approved by the Committee.

9.6 The investments should be reviewed at least annually by the Committee, as part of the fee setting process to take account of changing economic conditions.

10. Statutory Reporting

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for Moseley and Kings Heath u3a is the Charity Commission for England & Wales.

11. General Reporting

The Treasurer is responsible for maintaining financial records and will submit regular (eg monthly) accounts to the Executive Committee. Accounts will be kept on a payments and receipt basis.

Our u3a uses a spreadsheet which is reconciled monthly with the bank account. It is also audited annually by an external auditor alongside invoices received and the bank statements. This is reported to members annually.

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data.

12. Membership Fee and Membership of More Than One u3a

Moseley and Kings Heath u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

Moseley and Kings Heath u3a will offer members who can prove membership of other u3a's in the South Birmingham Network, Associate Membership. Associate

Membership will be free. Full members of Moseley and Kings Heath u3a will be given priority places in groups.

HMRC deem that members paying a subscription by cheque or PayPal for another person are gifting the money to that person and it will not be eligible for Gift Aid. Therefore, unless these payments are made from a joint account, members are asked to pay separately.

13. Gift Aid

Members who have indicated that they wish to sign up for Gift Aid, either online or by a form, will have this included on their record on the Beacon system. Please see Gift Aid and Your Tax document.

14. Reserves

Moseley, Kings Heath & District u3a aims to keep a level of reserves of at least £12,000 that will cover 6 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

15. Approval and Review

This policy was approved by the Executive Committee of the Moseley, Kings Heath & District u3a on 29th September 2026 and will be reviewed by the end of September 2029

Signed..... Chair

Signed Treasurer