

## **U3A LEEDS FINANCIAL POLICY**

### **1) RESPONSIBILITIES**

The trustees of U3A Leeds 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.

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.

### **2) BANKING**

#### **a. Bank Accounts**

- All bank accounts are in the name of U3A Leeds 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 Treasurer, plus up to four other designated members of the Executive Committee, normally including the Chair. This responsibility cannot be delegated.
- All cheques must be signed by two signatories

- 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 pre-signed by one signatory, may be provided to a second signatory, where a specific requirement is clear but the exact details are to be confirmed (e.g. for a speaker at a General Meeting).
- Blank cheques will not, otherwise, be issued without suitable reason.
- Whenever practical two people should be involved in counting cash receipts.

#### **b. 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 committee and in accordance with the bank mandate. The use of online banking overrides the dual control aspect of the payment authorisation process, but is permitted, where agreed in advance. The security of the online system is in line with the arrangements offered by Yorkshire Bank and in accordance with its mandated approval limits.

#### **c. Personal Debit or Credit Cards**

Prior approval must be given by the committee for equipment and other items to be purchased for the use of U3A Leeds or specific interest groups. In these circumstances, it may often be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim.

All invoices should be requested to be issued in the name of U3A Leeds wherever possible.

### **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. The funds of these groups belong to the U3A. Groups are permitted to make any expenditure from their group funds deemed necessary by the group members. The Treasurer, Group 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 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.

Group leaders should not operate bank accounts in the name of their groups, nor should they hold Group Funds in their personal bank accounts. If a group leader needs assistance in managing the group finances, they can consult with the Treasurer or other Executive Officer.

#### **4) PAID TUTORS**

U3A Leeds believes in the 'self-help' and 'peer-to-peer' learning models of the U3A movement. It does not encourage the use of paid tutors by Groups.

Should a Group feel there is a need for outside expertise, it is strongly recommended that the Group limit itself to the use of occasional and ad-hoc speakers, who may be paid a one-off fee, as is the case for speakers for General Meetings.

If a Group wishes to use a tutor on a regular basis, it must demonstrate to the Executive Committee that any agreement with such a tutor meets appropriate criteria regarding:

- The tutor's self employed status
- The tutor's public liability insurance
- The contract is for services only, and is only payable on delivery
- The Group is able to fund these services

The tutor's NI number, Unique Tax Reference in respect of self-employment, and copies of professional qualifications must be filed with the Executive Committee

#### **5) GROUP & 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 should also normally 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, or from U3A Leeds general funds, if the Executive Committee approves this. As all U3A members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

#### **6) INSURANCE**

Organisers of any trips must ensure that the trip is covered by appropriate insurance. Travel for day trips that are open to all members are covered by U3A Insurance (at the time of writing). Travel and accommodation for Study Group overnight trips, that are open to Study Group members only, are covered by U3A Insurance (at the time of writing). Holidays that are open to all members are not covered by U3A Insurance (at the time of writing).

It should be noted that U3As are exempt from the Package and Linked Travel Arrangements Regulations 2018 provided that

- The arrangements cover a period of less than 24 hours
- The packages are occasional, are not-for-profit, and are for members only

Occasional is defined as not more than 10 trips per annum.

## **7) MEMBERSHIP FEES & MEMBERS OF OTHER U3As**

The membership fee is reviewed on an annual basis. U3A Leeds is committed to keeping the membership subscription as low as possible to ensure that the U3A remains accessible to all members

U3A Leeds operates a reciprocal policy with some other U3As in the Leeds metropolitan region, whereby members from these U3As may attend U3A Leeds events on the same basis as U3A Leeds members, provided they can evidence their paid-up membership of that U3A.

## **8) PAYMENTS TO OTHER CHARITIES**

In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives. U3A Leeds will make payments to speakers who have indicated that they intend to donate their fee to a specific charity, but will not make the payment direct to their nominated charity.

## **9) 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 reimbursed by the Treasurer.

Significant expenditure and purchases (e.g. new equipment) must be authorised by the executive committee in advance. No committee member should authorise their own expenses 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.

The committee may award ad-hoc contributions towards Group or individual expenses before these are incurred: in such cases, which will be recorded in the Executive Committee minutes, the Treasurer may release these amounts prior to receiving any receipts, but the group or individual should make every effort to supply supporting documentation promptly.

## **10) ASSET REGISTER**

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location, for all items over a value of £100, excepting those designated as consumables.

U3A Leeds operates a receipts and payments reporting system, in which all assets are fully written off against receipts in the year of purchase.

An inventory check of the assets is done biennially; the next inventory check will be after the COVID restrictions have been lifted.

## **11) RESERVES**

U3A Leeds 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.

Group activities are excluded from this figure as their activities can be inflated by high-cost activities such as theatre visits and days out, and also they are entirely self-financing.

## **12) INVESTMENT POLICY**

U3A Leeds Trustees recognise they are legally required to:

- Ensure that they act within U3A Leeds' legal powers to invest
- Exercise care and skill when making investment decisions
- Select investments that are right for U3A Leeds by considering
  - Suitability of the investment
  - Need to diversify investments
  - Expert advice
  - Regular reviews of investments
- Explain the investment policy in the Trustees' Annual Report

U3A Leeds currently invests in the COIF fund. This was selected as it was recommended at the time by the Charity Commission. Interest rates being low everywhere, the 2021 review approved continuing use of this fund.

Signatories as at January 2021 are the Treasurer, Maureen Lewin, plus the Chair, Janet Keogh and Angela Hutchinson.

### 13) GIFT AID & HM REVENUE

U3A Leeds utilises the HM Revenue tax refund scheme known as Gift Aid. In order to comply with HM Revenue rules for this scheme, U3A Leeds Trustees ensure that:

- Valid declarations are obtained from members when they pay their membership fees
- These declarations are retained for a period of 6 years
- Correspondence regarding Gift Aid to and from HM Revenue and the Charities Commission is retained indefinitely
- The correct format and wording for the declaration is checked each year, and changed where required, on the membership forms
- Declarations are updated when members change addresses
- Members' names are recorded in full
- There is a process whereby members can request and receive receipts detailing their membership fees and the Gift Aid claimed on this by U3A Leeds (noted that higher rate taxpayers are entitled to request this information).