

Flintshire u3a (Fu3a)

Financial Policy

1. Scope

- 1.1** The Financial Policy and Procedures set out in this document are for the advice, guidance and benefit of the Trustees (Officers and members) of the Committee of Fu3a, in the undertaking of their financial responsibilities.
- 1.2** This document will be reviewed and updated to reflect changes in Third Age Trust, Charity Commission and HMRC guidance, all applicable legislative and regulatory requirements as well as revisions to Fu3a policy and other documents.

2. Financial Context

- 2.1** Flintshire u3a operates on a “pay as you go” basis. As such, members pay a basic annual membership fee to be part of the organisation. Separate charges apply to participate in group activities, some events and outings.
- 2.2** Fu3a has elected to claim gift aid on the membership subscription of those members who wish to do so.
- 2.3** The financial year and membership years run from January to December.
- 2.4** The accounts are prepared on a receipts and payments basis.
- 2.5** The accounts form part of the Annual Return to the Charity Commission and are subject to Independent Examination (in accordance with statutory reporting thresholds).
- 2.6** Insurance cover is provided by The Third Age Trust for member u3a's.

3. Trustees financial responsibilities

- 3.1** The Trustees of Fu3a are jointly responsible for:-
 - Safeguarding the assets of the charity
 - Identifying and managing the risk of loss, waste, theft and fraud
 - Ensuring that financial reporting is robust and of sufficient quality

- Keeping financial records in accordance with the Constitution and relevant legislation (e.g. Charities Act, Companies Act)
- Preparing annual accounts in accordance with the Constitution and relevant legislation
- Ensuring that the accounts show a true and fair view of the state of the affairs of Fu3a

3.2 The Trustees are jointly responsible for keeping full financial records of the Fu3a, including those of all interest groups, sub-groups etc, where appropriate.

3.3 Trustees cannot delegate their financial responsibilities.

3.4 To enable Trustees to carry out these responsibilities, the financial procedures detailed below will be followed.

3.5 A copy of this document will be given to all Trustees on their election / appointment to the Committee and made available to all members via the website.

4. Banking procedures

4.1 Bank accounts

Fu3a's principal Bank Accounts are Charity Current Accounts (3) and a Commercial Instant Access Deposit Account held with Lloyds Bank. All accounts are operated via online banking through Lloyds Business Banking.

4.1.1 All bank accounts are in the name of the Fu3a and operated by the Trustees.

4.1.2 New accounts may only be opened by a decision of the Trustees, which must be minuted.

4.1.3 Changes to the bank mandate (for authorised signatories or online banking access) may only be made by a decision of the Trustees, which must be minuted.

4.1.4 All bank statements must be sent to the Treasurer directly.

4.1.5 Whenever practicable, two people should be involved in counting cash receipts.

4.1.6 All cash and cheque receipts should be banked as soon as practicable.

4.2 Online banking

- 4.2.1** 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 Trustees, and in accordance with the bank mandate.
- 4.2.2** The security of the online system is in line with the arrangements offered by Lloyds Bank and in accordance with the mandated approval limits.
- 4.2.3** Access to the online accounts is by card reader and personal access card (issued by Lloyds Bank) to log on to the bank system with a personal ID and password.
- 4.2.4** Where online operation of the bank accounts is in place, only Trustees approved by the Committee will have access to this facility. For online banking, the bank mandate has two levels of authority for the accounts :-
- “Full Access User “ (Chair, Vice-Chair, Business Secretary & Treasurer).
 - “Delegate User” - other nominated Trustees.
- 4.2.5** Online banking payments can be authorised by Full Access or Delegate Users.
- 4.2.6** All online payments must be authorised by two of the Trustees with online banking access.
- 4.2.7** Authorisers are responsible for examining the payment documentation (purchase invoice etc.) prior to authorising an online payment.

4.3 Cheques

- 4.3.1** The authorised signatories for cheques are the Chair, Vice Chair, Business Secretary and Treasurer. This responsibility cannot be delegated.
- 4.3.2** All cheques must be signed by two signatories.
- 4.3.3** The signatories are responsible for examining the cheque for accuracy and completeness.
- 4.3.4** The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque.
- 4.3.5** Blank cheques will never be issued.

4.3.6 Blank cheques will never be signed by one signatory for a second to complete later.

4.4 Payment by bank cards

4.4.1 Fu3a holds three business debit cards (one for each current account), which are held by the Treasurer.

4.4.2 The issue of any bank debit or credit card in the name of Fu3a will be approved by the Trustees. 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).

4.4.3 The Trustees will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

4.4.4 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.

4.4.5 All such payments must be supported by an invoice or receipt made out to Fu3a.

4.6 Other Accounts

4.6.1 In addition to Lloyds Bank, Fu3a has Charity Business Accounts with:-

- PayPal Ltd. for receipt of monies received online for membership subscriptions
- SumUp Payments Ltd for receipt of monies (membership and other) taken by card reader

4.6.2 These accounts provide for one nominated account holder and so do not provide a dual control aspect to the transfer of monies from them to Fu3a. The use of these accounts has been agreed as necessary in order to offer efficient payment channels to members.

4.6.3 The Treasurer is the nominated account holder on behalf of the Trustees.

4.6.4 A Trustee without access to Lloyds Bank or Fu3a Financial Systems is nominated to provide an independent check on transfers from the accounts to Lloyds.

5. Operating Costs

- 5.1** Prior approval must be given by the Trustees (by either being within the approved budget or a specific additional approval) for any expenditure to be incurred on behalf of Fu3a.
- 5.2** Where arrangements are made by sub groups or other organisers, no commitments may be made without the prior approval of the Trustees.
- 5.3** Where Fu3a arranges special events or outings which are open to all members, they must be charged at cost and all participants pay appropriately.
- 5.4** The organisers of events and outings must not benefit from any discount (e.g. a free place(s)) offered. On such an occasion, the value of free place(s) must be shared out among all participants.
- 5.5** Out-of-pocket expenses can be paid to an organiser out of the money collected. As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.
- 5.6** All invoices must be issued in the name of Fu3a.
- 5.7** Organisers of such events should follow the Events Policy (currently being formulated)
- 5.8** Organisers of such outings should follow the Outings Policy which is available in the "Policy Documents and Procedures" in the Documents Section of the Members Area of the website. <https://flintshire.u3asite.uk/documents>

6. Payment by personal debit or credit cards

- 6.1** The use of personal debit or credit cards needs to be closely managed (by either being within the approved budget or a specific additional approval) for any expenditure to be incurred on behalf of Fu3a.
- 6.2** Only after such approval has been given, shall it be appropriate for a member to incur the expenditure and then claim the cost as a personal expense claim, supported by an appropriate receipt.
- 6.3** All invoices must be issued in the name of Fu3a.

7. Expenses

- 7.1** Out of pocket expenses incurred by the volunteers who are involved with running the Fu3a will be reimbursed.
- 7.2** Expense claims must be submitted with receipts.
- 7.3** Expense claims will be authorised as agreed by the Committee, and no Committee member should authorise their own claim.
- 7.4** Expenses will include, with Committee approval, attendance at the Trust's AGM and Conference or National/Regional workshops.
- 7.5** All claims need to be made on the appropriate form giving sufficient detail as to the nature of the expense.
- 7.6** Expense claims should reflect the cheapest travel option available.
- 7.7** 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.
- 7.8** Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the Committee.

8. Payments to other charities

- 8.1** In line with charity law, the Fu3a cannot raise funds for another charity that does not have similar charitable objectives.
- 8.2** In the event that a speaker indicates that they intend to donate their fee to a specific charity, Fu3a's preference is to pay the speaker direct and not to their nominated charity.
- 8.3** If there are circumstances which make direct payment not possible, then Fu3a will only pay to the nominated charity on completion by the speaker of a Speaker Payment (Donation to Charity) form. Downloadable forms are in the Documents Section of the Members Area of the website. <https://flintshire.u3asite.uk/documents>



9. Groups' finances

- 9.1** Group Co-ordinators are required to manage their Group Finances as set out in the Group Finances Policy available in the "Policy Documents and Procedures" in the Documents Section of the Members Area of the website.
<https://flintshire.u3asite.uk/documents>
- 9.2** Fu3a is a "pay as you go" model of organisation and as such, interest groups are expected to be "self-financing" and can collect such sums of money as the group members and Group Co-ordinator(s) deem to be necessary to undertake their activities.
- 9.3** The Trustees will consider start-up funding or support to existing groups on a case-by-case basis.
- 9.4.** The funds raised by groups belong to the Fu3a but are earmarked ("ringfenced") for use by the group concerned.
- 9.5** Group Funds are held either:
- Within the Fu3a Group's Bank Account, or
 - By the Group Co-ordinator, or
 - A combination of both
- 9.6** The level of funds held by each group will be kept under review. The level should be relative to the size and turnover of the group and should not exceed £250.00
- 9.7** The Trustees (via the Treasurer) will monitor the income and expenditure of the groups quarterly.
- 9.8** Where groups do not comply, then the Trustees will review as to whether the group is operating legitimately in line with the insurance and financial requirements.

10. Membership Fees and membership of more than one u3a

- 10.1** The membership subscription is defined as a “pay as you go” fee that is reviewed on an annual basis.
- 10.2** Fu3a is committed to keeping the membership subscription as low as possible to ensure that the Fu3a remains accessible to all members.
- 10.3** Fu3a offers a system whereby the membership fee can be adjusted for those who can provide proof of benefits received.
- 10.4** For Fu3a members who can evidence membership of another u3a, Fu3a will reduce the cost of membership by the amount that is paid to the Trust for each member.

11. Grants from External Bodies

- 11.1** Applications for external grants must be made in the name of Fu3a.
- 11.2** Any applications must have the prior approval of the Trustees before being submitted.
- 11.3** The Treasurer will make any applications on behalf of the Trustees and will liaise with the Co-ordinator of any groups seeking to apply for grants.

12. Annual Budget, Financial Strategy and Reserves

- 12.1** Fu3a aims to keep a level of unearmarked or unrestricted reserves that will cover 6 -12 months of regular core operating activity. This level excludes:-
- Funds held by groups which are earmarked for use by those groups.
 - Any funds held at year end for social activities (events or outings) to take place the following year as these are deemed to be self-financing.
- 12.2** A review of the financial strategy will be undertaken prior to the start of the financial year to set a budget for the following year which takes account of membership subscription rates, anticipated receipts, planned spending on core activity, the level of reserves held and the target level of reserves .

13. Asset register

13.1 An asset register is maintained by the Treasurer which records all assets held including:-

- Their initial purchase price
- Their date of purchase
- Their estimated nominal value
- Their storage location and Fu3a member acting as custodian.

13.2 The register is maintained on an ongoing basis as assets are purchased or disposed of and reviewed annually.

13.3 All assets are fully written off in the accounts in the year of purchase.

13.4 Disposal of Assets must be approved by the Trustees, as set out in the Constitution.

14. VAT

14.1 Fu3a has an annual turnover below the VAT threshold (currently £85,000) and so is not required to be VAT registered.

14.2 Charities are not exempt from having to pay VAT and so Fu3a has to bear the VAT charged on any invoices or bills like any other end-user.

15. Gift Aid

15.1 HMRC guidance states that membership organisations such as Fu3a can claim gift aid on membership subscriptions subject to the stated conditions applying.

15.2 The operation of the gift aid scheme, calculation and submission of the Gift Aid claim is undertaken by the Treasurer and reported in the accounts.



Related documentation

Fu3a

<https://flintshire.u3asite.uk/documents>

Constitution

Group Finances Policy

Outings Policy

Events Policy (currently under construction)

Third Age Trust

<https://www.u3a.org.uk/members-area/support/advice-and-guidance>

Financial matters

Finance FAQ's

Banking Guidance

Gift Aid Guidance

Insurance FAQs

Policy Review:

The review and implementation of this Policy will be monitored by the Committee.

Fu3a Version	Description of changes	Reviewed by	Date Reviewed (Committee)	Next review due
1	New Policy	Committee from Trust Template	2021	
2	General updates to latest working practices and to reference to Group Finance Policy.	Treasurer, Committee Members, Business Secretary, Groups Liaison	17 th August 2026	2031