



## Financial Policy of Penzance u3a as at 1<sup>st</sup> April 2025

### 1. Financial responsibilities of Trustees

Trustees, being each member of the current committee of Penzance u3a, are responsible for:

- a. Safeguarding the assets of Penzance u3a.
- b. Identifying and managing the risk of loss, waste, theft or fraud.
- c. Ensuring that financial reporting is robust and of sufficient quality.
- d. Keeping financial records in accordance with the governing document and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- e. 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 Penzance u3a.
- f. Keeping full financial record of all the activity groups in Penzance u3a, etc. where appropriate.

To enable the trustees to carry out these responsibilities, the financial procedures detailed below need to be followed.

A copy of this Financial Policy will be given to all trustees on their election or appointment to the committee.

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

## 2 Banking

### 2.1 Bank accounts

- a. All bank accounts are in the name of Penzance u3a and operated by the Trustees.
- b. New accounts may only be opened by a minuted decision of the Trustees.
- c. Changes to the bank mandate may only be made by a minuted decision of the Trustees.
- d. The authorised signatories can be the Chairman, Vice Chairman, Secretary and Treasurer and/or other Trustees. This responsibility cannot be delegated.
- e. The Treasurer has the authority of the Trustees to make payments by cheque or online banking up to a limit of £200.00. Any amount over £200.00 will require another signature to authorise the payment, which is paid by cheque, online banking or bank card (see 3.3 below).

The two signatories are responsible for examining the payment details for accuracy and completeness. The signatories are also responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or making the payment.



- f. All bank statements must be sent to the Treasurer directly.
- g. Blank cheques are not to be issued.
- h. Blank cheques must never be signed by one signatory for a second to complete later.
- i. Whenever practical, two people should be involved in counting cash receipts.

## **2.2 Online Banking**

Only Trustees approved by the committee will have access to this facility. The security of the online system is in line with the arrangements offered by Lloyds Bank and in accordance with the mandated approval limit of £200.00.

## **2.3 Payment by Bank Cards**

Penzance u3a does not possess any business debit or credit cards; however, their use may be agreed by the Committee at a future date.

The use of these cards will be permitted when agreed in advance in recognition that online purchases for certain goods and services represent the most effective, and in some cases, the only method of completing the purchase (e.g. theatre tickets). The committee will pre-determine the spending limits for any card: the limit may be per transaction, per day or per month. All such payments must be supported by an invoice or receipt made out to Penzance u3a.

## **2.4 Personal Debit or Credit Cards**

The use of personal debit or credit cards for group activities must be closely managed. Permission must be sought from the committee when a group feels that there is no other viable way to make payments.

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

All invoices must be issued in the name of Penzance u3a.

## **3 Group Finances**

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 groups belong to active members of each group. They are held in the Penzance u3a bank account on their behalf. In case of dispute about distribution of funds, the committee has the authority to decide on the number and the names of group members concerned. Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership, and can withdraw money on request from the ring-fenced funds held by the u3a on their behalf, as appropriate. 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:

- a. Allow the Treasurer to keep accurate accounts for presentation to the AGM and other meetings for discussion with the Trustees and to meet regulatory requirements.
- b. Allow the group members to understand how their funds are being managed.
- c. Maintain transparency and trust for all concerned.
- d. Minimise the risk of error and potential loss of funds.
- e. Allow group leaders to maintain cash floats.

#### 4.1 Receipts

To manage the handover of cash and cheques to be paid into the Penzance u3a bank account the committee has decided that:

- a. Bank paying in slips will be given to group leaders for this purpose.
- b. Group leaders may pay sums due by issuing their own cheque, or paying online through their own bank account.
- c. Where applicable receipts will be given to group leaders by the Treasurer, or acknowledged by email.
- d. Net sums being paid must be fully demonstrated to the Treasurer.
- e. Cash held back for cash-flow purposes will be within the u3a's approved limits, which will vary by activity.

#### 4.2 Payments

The committee will inform relevant group leaders as to the approved process for payments relating to:

- a. When a trip is organised by and paid through the u3a, or paid directly by the members to the trip organiser.
- b. When payments may be deducted from activity revenue, such as: venues, transport, tutors, speakers etc.
- c. When payment for venues, transport, tutors, speakers etc. need to be paid by the u3a.
- d. Outside speakers, who should be asked to state their fees and any travel costs at the time of booking and payment obtained from the Treasurer.

The committee (via the Treasurer) will monitor the income and expenditure of groups. Group Leaders need to provide regular information, when requested, to the Treasurer. If groups do not comply, the committee will review as to whether the group is legitimately operating in line with the insurance, financial and any other requirements.

#### 4.3 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 must 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 among all participants to the event.

Out-of-pocket expenses can be paid to an organiser out of the money collected for 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.

#### **4.4 Payments to Charities**

In line with charity law, no u3a can raise funds for another charity which does not have similar charitable objectives. Penzance 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 Expenses Policy**

Out-of-pocket expenses incurred by volunteers who are involved with running the u3a will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the Treasurer, and no committee member should authorise their own claim. Expenses will include, with prior committee approval, attendance at the u3a Trust's AGM and Conference or national/regional workshops.

All claims need to be made on the appropriate form (copies of which available from the Treasurer), giving sufficient detail as to the nature of the expense claim.

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 payment of parking fines or other fines will not be allowed.

Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the committee.

### **6 Membership Fees and Membership of more than one u3a**

The membership fee is reviewed on an annual basis. Penzance u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Penzance u3a offers a system whereby the membership fee can be adjusted for those who can provide proof of benefits received or problems with payment.

For u3a members who can evidence membership of another u3a, Penzance u3a will reduce the cost of membership by the amount that is paid to the Trust for each member.



## **7 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. 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.

## **8 Reserves**

Penzance u3a aims to keep a level of reserves that will cover six months of regular operating activity. This is considered by the committee to be a reasonable level. Social account activities are excluded from this figure, as these activities are inflated by high-cost activities such as theatre visits and days out, and are entirely self-financing.

**Date of this Notice:** 1 April 2025

**Reviewed:** March 2025

**End**