



## Durham & District u3a - Financial Policies

### 1. Policies

Each u3a is required to set down its financial policies and procedures. This document defines the processes that Durham & District 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.

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

### 2. Trustees' Financial Responsibilities

#### 2.1 Trustees

The Trustees of Durham & District u3a are financially accountable for:

- Safeguarding the assets of the charity.
- Identifying and managing the financial 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 (eg Constitution) and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Ensuring Annual Accounts are prepared in accordance with the governing document and relevant legislation and reflect a clear view of the state of affairs of the u3a.

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

#### 2.2 The Treasurer's Role

The Treasurer's role for a Durham & District u3a includes:

- Maintaining the financial records in accordance with the u3as's published financial policies
- Maintaining the financial records in accordance with the applicable charity law and statute
- Managing the bank accounts in accordance with the financial policies
- Preparation of accounts and budgets
- Preparation of the annual accounts for the AGM, publication and filing
- Ensuring that an Asset Register is maintained



## 3. Banking

### 3.1 Bank Mandate

Authorised signatories are stated in the bank mandate and updated when there is a change in Trustees.

### 3.2 Bank Accounts

- All bank accounts (including Group bank accounts, where applicable) are in the name of Durham & 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.
- All payments must be approved by the Committee.
- The authorised signatories shall be Chair, Vice Chair, Secretary and Treasurer. This responsibility may be delegated where circumstances dictate (e.g. holiday cover).
- The signatories are responsible for examining the payment request for accuracy and completeness and for examining supportive documentation (purchase invoice etc.) prior to approval (signing the cheque or authorising an internet transfer).
- All bank statements must be available for the Treasurer.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.

### 3.3 Online Banking

Where online operation of the bank accounts is in place only Trustees approved by the Committee will have access to this facility (as above, at least two). The security of the online system is in line with the arrangements offered by Coop Bank and in accordance with the mandated approval limits.

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. Access to the online accounts varies from bank to bank and may be via a card reader and personal access card or by logging on to the bank system with a personal password and access code.

### 3.4 Payment by Bank Cards

The issue of any bank debit or credit card in the name of Durham & District u3a will be approved by the Executive Committee. 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). The Executive Committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

Durham & District u3a holds 3 business debit cards. These are held by Treasurer, Membership Secretary and leader of the Theatre Group. All transactions made using these cards appear on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the Executive Committee. All such payments should be supported by some form of order confirmation or an invoice or receipt.

### **3.5 Personal Debit or Credit Cards**

If the u3a has a credit or debit card its use should be set out in the Financial Policies document along with spending limits on their use. Only the authorised user should have access to the card; the card number and PIN or security code should never be disclosed to anyone else. If a u3a has its own credit card this should be used for payments rather than a personal card.

If a member has to use their own credit or debit card when arranging activities on behalf of the u3a the transaction should be agreed in writing with the Treasurer before the member incurs the expense. These transactions (or expenses) will be reimbursed on receipt of an expense claim.

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

Prior approval must be given by the Executive Committee for equipment and other items to be purchased for the use of Durham & District 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.

## **4. Accounts**

### **4.1 Group Finances**

While this section is titled Groups' Finances the following policies will apply to activities that are organised for a u3as wider membership, for example regarding Outings or Speakers. Therefore, the term Group Leader shall cover, for example, Trip Organiser or similar.

The Executive Committee (via the Treasurer) will monitor the income and expenditure of the groups. Group Leaders need to provide regular information, as agreed, to the Treasurer. Where groups do not comply then the Executive Committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

### **4.2 Group Finance Records and Reporting**

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 deemed necessary by the group members and the group leadership and can withdraw money on request from the ringfenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and relevant 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
- Allow group leaders to maintain cash floats. Such cash floats should not exceed £100

### 4.3 Receipts

To manage the handover of cash and cheques to be paid into the Durham & District u3a bank account the Executive Committee has decided that:

- Bank paying in slips may be given to Group Leaders for this purpose
- Group Leaders may not pay sums due by issuing their own cheque or paying online through their own bank account
- Where applicable receipts will need to be given to Group Leaders, or acknowledged by email
- Where net sums are being paid over this needs to be fully demonstrated to the Treasurer by a receipts and payments statement
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity)

### 4.4 Payments

The Executive Committee will inform relevant Group Leaders in writing 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 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 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. 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. Statutory Reporting

Every charity needs to keep accounting records and produce annual accounts. The Statutory Authority for Durham & District u3a is Charity Commission for England & Wales. Further information can be found on the Trust website in Finance Matters – Guidance (see References).

## 6. General Reporting

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

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

## 7. Reserves

Durham & District u3a aims to keep a level of reserves that will cover approximately 6 months of regular operating activity. This is considered by the Committee a reasonable level for this type of charity.

## 8. Other Points

### 8.1 Payments to Other Charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives.

Durham & District u3a can 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.

### 8.2 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. Authorised signatories are stated in Section 3.1 . No committee member should authorise their own claim.



All claims need to be made by the agreed procedure giving sufficient detail as to the nature of the expense.

### **8.3 Membership Fees and Membership of More Than One u3a**

Each u3a will determine its own form of membership classes. The membership fees will be reviewed on an annual basis.

Durham & District u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

For u3a members who can provide evidence membership of another u3a Durham & District u3a will not reduce the cost of membership by the amount that is paid to the Trust in membership fees for each member

### **8.4 Asset Register**

An equipment register is maintained by the Treasurer which records all equipment held including their initial purchase price, date of purchase, and location. The register will be reviewed annually.

### **8.5 Gift Aid**

Durham & District u3a will comply with all regulations to claim Gift Aid on membership subscriptions and donations received.

### **8.6 Card Readers**

Durham & District u3a may use a card reader to take payments by credit card at our events. This is configured to pay directly into our bank account.

## **9. Investments**

Durham & District u3a does not currently have any investments.

Policy agreed;                      27<sup>th</sup> March 2026

Review date:                      Annually