

## **BNB u3a Financial Policy**

### **1 Purpose**

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls, or Financial Policy.

The Financial Policy is a documentation of the current unwritten procedures of BNB u3a, regarding financial management.

Where applicable “Trustees” includes committee members.

### **2 Scope**

This policy is for the Bulkington, Nuneaton and Bedworth u3a (BNB u3a).

### **3 Trustees’ financial responsibilities**

The trustees of BNB u3a 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 BNB u3a.

Trustees are jointly responsible for keeping full financial records. These include those of BNB 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.

## 4. Reporting and Budgeting

The Treasurer will be responsible for reporting the financial status of the organisation at each committee meeting, in terms of income and expenditure over the previous month, as well as highlighting any abnormal expenditure already paid or anticipated. The committee will discuss and agree a budget forecast each year and actuals will be assessed against the budget forecasts during the financial reporting.

## 5 Banking

### 5.1 Bank accounts

- All bank accounts are in the name of BNB 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 are the Chairman, Secretary and Treasurer. This responsibility cannot be delegated, although other signatories may be added with the agreement of the committee.
- 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, to ensure the payment is appropriate and the correct payee, amount etc.
- All signatories will have online access to account details and paper statements will not normally be issued.
- 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.
- A main account shall be opened and maintained for ongoing core activities of BNB u3a, but a separate account shall be opened and maintained for managing social events such as Theatre visits and other external events.
- A Savings account may be opened and maintained if it is determined by the committee that this is an appropriate place to deposit reserve funds in order to accrue interest.

### 5.2 Online banking

Online operation of the bank accounts is in place, and only trustees approved by the committee will have access to this facility. 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 delegated rights, as agreed by the committee and in accordance with the bank mandate.

The security of the online system is in line with the arrangements offered by NatWest bank and will be in accordance with the mandated approval limits. Two signatories will be required to authorise any online payments from either of the bank accounts, using the facilities and procedures of the bank account.

All payments are authorised in accordance with the bank mandate. Access to the online accounts is via a card reader and personal access card and by logging on to the bank system with a personal password and access code. The personal access cards are for logging in only and do not allow online purchases e.g. via the Visa system.

#### **5.4 Personal debit or credit cards**

The use of personal debit or credit cards for interest group activities in expectation of reimbursement, needs to be closely managed. Permission must be sought from the committee where 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 BNB 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.

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

### **6 Groups' finances**

While it is an objective that Interest groups are expected to be self-financing, it is accepted that due to the number of attendees this may not be possible for some groups. It has been agreed that all attendees of Interest Groups using a venue will pay a fixed fee for attendance towards the venue cost, and these costs will be shared with the larger groups subsidising the smaller groups. The funds of all of these groups belong to BNB u3a.

Any expenditure deemed necessary by the group members and the group leadership will be subject to prior authorisation by signatories in accordance with the bank Mandate. Standard forms are available to request expenditure and to record attendees and fees paid 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.

## 6.1 Receipts

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

- Bank paying in slips will not be given to group leaders for this purpose. The exception to this is that the Social Secretary will be able to manage receipts into the Social 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.

## 6.2 Payments

Outside speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer. Payment will not be made to u3a members. If the Speaker wants to donate their fee to a nominated charity then this needs to be recorded in advance. Two methods are possible. The first way, if the speaker is to be paid in cash or by a cheque made payable to them, would be for them to sign a receipt for BNB u3a's records and then hand the value of the fee to the charity of their choice. The second method would be to ask the Speaker to sign a declaration similar to the example in below and then the fees can be paid directly to the charity. In both cases, it should be recorded in the account as "speaker fees."

DECLARATION:

To .....u3a Please pay the fee/expenses due to me as speaker at your u3a on ..... to the following charity ..... Being a donation paid on my behalf to that charity. Signed ..... Date ..... In both cases, it would be recorded in the account as "speaker fees"

It is against the principles of the u3a organisation to have paid tutors, but they may be allowed if agreed by the Committee that there is no alternative. Paid Tutors must provide evidence of their qualifications and self-employed status, and Public Liability Insurance, and invoice BNB u3a as agreed. Paid Tutors must not be a member of any u3a.

The 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 committee will review as to whether the group is legitimately operating in line with the insurance and financial requirements.

## 6.3 Social activities

Payments for social events and visits will be paid to the Social Secretary and paid in/out from the separate Social bank account, not from the main BNB u3a account.

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 BNB u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event.

## **6.4 Payments to other charities**

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

## **7 Expenses policy**

Out of pocket expenses incurred by the volunteers who are involved with running BNB u3a will be reimbursed. Expense claims must be submitted with receipts. Expense claims will be authorised by the executive committee and no committee member should authorise their own 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.

## **8 Membership Fees and membership of more than one u3a**

The membership fee is reviewed on an annual basis. BNB u3a is committed to keeping the membership subscription as low as possible to ensure that we remain accessible to all members. For members who can evidence membership of another u3a, BNB u3a will reduce the cost of membership by the amount that is paid to the Trust for each member. Reduced fees may also be allowed for joining after 1<sup>st</sup> October in any year, with the approval of the committee.

## 9 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.

## 10 Reserves

BNB u3a aims to keep a level of reserves that will cover at least 6 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity.

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.

## Issue History

Issue No.	Date	Reason for change
1.0 Draft A	20/10/2023	Initial Draft
1.0 Draft B	27/10/2023	Updates after initial review
1.0	16/11/2023	Approved for issue