Cheddar Valley 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.

This document defines the processes that Cheddar Valley u3a (hereinafter CV u3a) will use for its financial matters. The policy will be kept under regular review and revised as required. A copy of this document will be given to every Trustee on their election/appointment to the Committee.

This policy is part of the governance arrangements of CV u3a. It sets out the financial framework and principles within which the Trustees will manage the u3a's financial affairs. The Trustees are accountable to the members for any non-compliance with this policy.

Definitions.
Committee - the executive committee which runs CV u3a.

2 Trustees' financial responsibilities

2.1 Joint responsibilities

All Trustees of CV u3a are jointly 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.
- Ensuring that the accounts show a true and fair view of the financial state of the u3a.

Trustees are responsible for keeping full financial records of the u3a as a whole and of all sub-groups. To enable the Trustees to carry out these responsibilities, the financial procedures detailed in this document will be followed at all times.

CV u3a will keep its accounts on a simple cash and payment basis.

2.2 The Treasurer's role

The responsibilities of the Treasurer are set out in the role description at https://cheddar-valley.u3asite.uk/wp-content/uploads/2025/04/CVu3a-Role-Description_Treasurer-March-2025-.pdf

DRAFT

3 Banking

3.1 Bank mandate

The CV u3a bank mandate specifies that two people must authorise every transaction. The list of authorised signatories is regularly reviewed and updated and will normally include the Chair, Vice-Chair, Treasurer and Secretary.

3.2 Bank accounts

- All bank accounts are in the name of Cheddar Valley u3a and are 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 officers, namely the Chair, Vice-Chair, Secretary and Treasurer. This responsibility cannot be delegated.
- All payments must be authorised by two of the authorised signatories.
- The recipient of a payment must not initiate or authorise a payment
- Two signatories who are in a relationship and/or living in the same household may not authorise together
- The signatories are responsible for checking the accuracy and completeness of the payment request, and any supporting documentation.
- All bank statements must be sent to the Treasurer.
- 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.

3.3 Online banking

Where online operation of the bank accounts is in place only those 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 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 Committee and in accordance with the bank mandate. All payments are authorised in accordance with the bank mandate. Access to the online accounts 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 CV u3a may be approved by the Committee following an application from an individual member or a group. 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 Committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

DRAFT

3.5 Personal debit or credit cards

The use of personal debit or credit cards for CV u3a activities is restricted to £100 without further authorisation. Permission must be sought from the Committee for all larger amounts.

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

All invoices must be issued in the full name of Cheddar Valley u3a.

4 Accounts

4.1 Groups' finances

This section is titled Groups' Finances but the procedures set out here apply to activities that are organised for the CV u3a wider membership, such as social events, outings and speaker meetings. The term "group leader" in this context therefore covers those who organise cross-cutting activities.

The funds of all interest groups belong to CV u3a, without exception. The Committee of CV u3a (via the Treasurer) will monitor the income and expenditure of all groups and therefore group leaders must provide regular information, as specified, to the Treasurer. If groups do not comply with this requirement the Committee will check whether the group is operating legitimately in line with the finance policy and insurance 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. Groups are permitted to make any expenditure deemed necessary by the group members and the group leadership and can withdraw money on request from any ringfenced funds held by CV u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and Group Leader(s) will 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, which should not exceed £100.

Prior approval must be given by the Committee for equipment and other items to be purchased for the use of specific interest groups.

4.3 Receipts

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

DRAFT

- Bank paying in slips will not be given to group leaders for this purpose.
- Group leaders may pay sums due by issuing their own cheque or paying online through their own bank account.
- Where applicable receipts will 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.
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity).

4.4 Payments

The Committee will inform relevant group leaders of the approved process for payments relating to:

- A trip organised by and paid through the u3a or paid directly by the members to the trip organiser;
- When payments for venues, coaches, tutors, speakers or other authorised expenditure may be deducted from activity revenue;
- When payment for venues, coaches, tutors, speakers or other authorised expenditure must be paid by CV u3a.

Outside speakers should be asked to state their fees and any travel costs at the time of booking. Speakers may be engaged directly by the Committee, or by a group which has approval in principle from the Committee to engage its own speakers. All payments to outside speakers must be fully documented and authorised by the Treasurer or by a Group Leader on behalf of the Treasurer where approval has been delegated. See also section 8.1 covering payments to other charities.

Speakers who are paid a fee must be self-employed as CV u3a carries no liability for any employer tax or insurance.

Where the Committee has, exceptionally, agreed the use of a paid tutor, the tutor must provide evidence of their self-employed status and must invoice CV u3a as agreed.

4.5 Social activities

Events such as theatre trips, visits or educational days out must be charged at cost and all participants must 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 must keep accounting records and produce annual accounts to be approved at the AGM. The Statutory Authority for CV u3a is the Charity Commission for England and Wales.

DRAFT

6 General Reporting

The Treasurer is responsible for maintaining financial records and will submit regular statements of account to Committee meetings. CV u3a accounts will be kept on a payments and receipts basis.

7 Reserves

CV u3a aims to keep a level of reserves that will cover approximately 12 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.

8 Other matters

8.1 Payments to other charities

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

CV u3a can make payments to speakers who have indicated that they intend to donate their fee to a specific charity but cannot make a direct payment to the nominated charity.

8.2 Expenses policy

Out of pocket expenses incurred by the volunteers who are involved with running CV u3a will be reimbursed. Expense claims must be submitted with receipts and include sufficient details to permit checking. Claims must be authorised by the relevant members of the Committee (see section 3.2). No Committee member may authorise their own claim.

Expenses may include – with Committee approval – attendance at the Third Age Trust's AGM and Conference or national/regional workshops. Travel expense claims should reflect the cheapest travel option available. Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the executive committee.

8.3 Membership Fees

The membership fee is reviewed on an annual basis. CV u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members and will offer the subscription on a "Pay as you go" basis. CV u3a may offer a reduced pro rata fee for less than 12 months membership, subject to the approval of the Committee.

DRAFT

8.4 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. The register is reviewed annually.

Assets will be written off in their first year.

8.5 Gift Aid

CV u3a will claim Gift Aid as permitted.

8.6 Procurement procedure

CV u3a will follow a documented competitive tender process for any large value item (anything above £1,000 and either a capital item or a service). If a service, the above value refers to a one-off charge or an annual charge. The Committee must agree the tendering process for the particular contract or purchase before the activity is started. If there are any subsequent changes required during the process, the Committee must know the reasons for the change and must accept the rationale. Before the final go-ahead decision, the Committee must approve the proposed outcome.

For any items below £1,000 the Committee may approve a single source purchase.

9 Investments

9.1 CV u3a holds money on behalf of its members. The u3a may seek to obtain a return on investment but the security of funds takes precedence over returns on investment.

9.2 Any investment of funds will be with main banks or building societies or the Charities Official Investment Fund (COIF). These are chosen as they have the funds to withstand economic pressures. The banks and building societies should offer cover by the FSCS guarantee (limited to £85,000 per institution). The COIF is not covered by the FSCS guarantee but works primarily in the charitable sector and offers no risk cash-based accounts.

9.3 No investments may be made into stocks, shares, gilts or bonds as the risk level is too high.

9.4 All investments must be approved by the Committee.

9.5 The investments should be reviewed annually by the Committee, as part of the membership fee setting process, to take account of changing economic conditions.

Reviewed by the Trustees of Cheddar Valley u3a and approved on 6 November 2026
Added restriction on signatories in a relationship and/or same household; plus restriction on authorisation by a payment recipient. Removed figure from reserves policy.
Next review due November 2028

DRAFT