

## 1 Trustees' financial responsibilities

The Trustees (Officers & Committee Members) of Stowmarket 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 showing a true and fair view of the state of affairs of the u3a, in accordance with the governing document and relevant legislation.

Trustees are jointly responsible for keeping full financial records. These include those of the 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 made available to trustees on their election/appointment to the committee and to members via Stowmarket u3a website.

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

## 2 Accounting

- Stowmarket u3a's financial year runs from 1st August to 31st July.
- The Treasurer is responsible for maintaining financial records
- A simple cash and payment system is agreed as appropriate for keeping a record of receipts and payments provided any accruals for future payments and / or outstanding financial obligations are reflected to give trustees a more accurate picture of the charity's financial situation.
- The accounts maintained by the Treasurer will be reconciled to the bank account on a monthly basis.
- The Treasurer will provide a Financial Statement to Committee at regular intervals, as requested.
- The Treasurer will prepare end of year (EOY) accounts for examination and approval by the independent Examiner nominated at the previous year's AGM
- The EOY account will be submitted to the membership for approval at the AGM.
- The Treasurer will make an annual financial return to the Charity Commission.

## 3 Banking

### 3.1 Bank accounts

- The bank account will be in the name of Stowmarket 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 will normally be three in number, usually the Chair, Treasurer and Secretary, unless the Trustees agree otherwise, which should be minuted
- All cheques must be signed by two signatories.
- The signatories are responsible for examining the cheque for accuracy and completeness.
- Signatories are responsible for examining payment documentation (purchase invoice etc.) prior to signing any cheque or authorising an internet transfer.
- All bank statements must be sent to the Treasurer directly.
- Blank cheques will never be issued.
- Whenever practical two people should be involved in counting cash receipts.

### 3.2 Online Banking

Stowmarket u3a operates a bank account with a recognised well established bank. The security of the online system is in line with the arrangements offered by the bank and in accordance with the mandated approval limits.

The Treasurer is authorised by the Committee to make payment of regular invoices by internet transfer (payments to National u3a; speaker fees; room hire invoices for monthly, committee and group meetings). Single rather than dual authorisation to be reviewed at determined intervals.

### 3.3 Personal debit or credit cards

The use of personal debit or credit cards for interest group activities 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 asset items to be purchased for the use of Stowmarket 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 Stowmarket u3a.

## 4 Groups' finances

Interest groups are expected to be self-financing and need to charge such sums of money as the group members and leadership deem to be necessary to undertake their activities e.g. room hire, outings, activity costs.

Ultimately, the funds of Interest groups belong to the u3a as the Trustees carry the legal responsibility for any contracts e.g. rental agreements entered into. In practice, funds are ring-fenced and groups can make any expenditure deemed necessary by the group members and the group leadership and can withdraw money on request from those funds held by the u3a on their behalf. If a group closes, any ring-fenced money accrues to the u3a.

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:

- 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 where appropriate.

### 4.1 Receipts

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

- To recommend that individual group members make any payments due direct to the Stowmarket U3A TSB bank account
- Where net sums are being paid over the gross income and gross outgoings need to be fully documented for the Treasurer
- The Treasurer will issue a receipt for any monies paid by the Group Leader / Convenor

### 4.2 Payments

- Group leaders may not pay sums due by issuing their own cheque or paying online through their own bank account, unless, due to exceptional circumstances, this has been agreed by prior arrangement with the Treasurer
- It is recommended that Stowmarket u3a is invoiced via the Treasurer not the Group Leader / Convenor
- Payment for activities may require deposits or payment on the day at the venue. Where individual group members are paying the venue directly, these monies do not need to be reported to the Treasurer. Where ring-fenced money needs to be used, the Group Leader / Convenor should make prior arrangement with the Treasurer for a Stowmarket U3A cheque to be issued
- For cash flow purposes, a float of £30 may be held but must be reflected in the Group's accounts

- 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
- If the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

### **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 also cover out-of-pocket expenses.

As all u3a members offer their services free to the movement, the organiser(s) must not get any pecuniary reward for organising an event. They 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 claimed and paid to an organiser out of the money collected for the event.

### **4.4 Payments to other charities**

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

## **5 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. 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 in writing – email is acceptable 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.

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

Stowmarketu3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. The membership fee is reviewed on an annual basis and runs from 1<sup>st</sup> October to 30<sup>th</sup> of September.

There is a fee reduction for u3a members who can evidence membership of another u3a. To encourage new members to join throughout the membership year, Stowmarket U3A also

offers a reduced subscription for new memberships who join on or after April 1<sup>st</sup> in any membership year.

## **7 Asset register**

An asset register is to be 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 to include any assets purchased by an interest group as these remain the property of Stowmarket u3a if the group ceases to exist.

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 to be reviewed annually.

## **8 Reserves**

Stowmarket u3a aims to keep reserves that will cover at least 12 months of regular operating activity.

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.

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**Registered Charity: 1002987 | Website: [www.u3astowmarket.org.uk](http://www.u3astowmarket.org.uk)**