



South Durham u3a Financial Policy

Document Control

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Approved by	South Durham u3a Committee

Review date/event	Annual review Any change in our constitution. Adoption of the Beacon 2 system for financial transactions. Any change in banking or payment arrangements.
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Version	Date	Author	Change summary
1	10.04.2022	Sue Clark	Adopted 03.05.22
2	02.04.24	Sue Clark	Annual Review
3	01.07.25	Sue Clark	Annual Review
4	07.04.26	Sue Clark	Annual Review



South Durham u3a Financial Policy

Definitions:

“Trustees” includes Committee members.

1. Policies

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

This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Trustees of South Durham 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 South Durham 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 South Durham 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

South Durham u3a holds two bank accounts with Lloyds Bank PLC:

- The Primary Account is for the receipt and payment of general expenses.
- The Social Account is for the receipt and payment of social activities.

South Durham u3a Bank Mandate provides the same authority for both accounts:

- The Treasurer, Chair and Secretary are authorised to approve payments online from both the Primary and the Social Account
- The Treasurer and Chair each hold debit cards for both the Primary and Social Account
- The debit cards do not have a transactional limit.

South Durham u3a intends to open an online savings account to maximise the return on reserves currently held in the Primary Account. This account will be reviewed intermittently and the balance will be transferred to different holding banks to maintain a good interest return.

3.2 Bank Accounts

- All bank accounts (including Group bank accounts, where applicable) are in the name of South Durham 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 at least two signatories (one normally being the Treasurer).
- The authorised signatories shall be 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.
- 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 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 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 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 South Durham u3a will be approved by the 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 Committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

South Durham u3a holds two business debit cards. These are held by Treasurer and Chair. 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 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

South Durham u3a holds debit cards on both its current accounts and their use is set out in Paragraph 3.1 of this Financial Policy document. 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 Committee or Treasurer 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 South Durham 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. Also, this section is directed to the "Pay As You Go" form of u3a membership primarily rather than the "All Inclusive" form which South Durham u3a operates.

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.

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. Items that may be excluded from Group finance reporting include:
 - a) Expenditure on light refreshments e.g. tea, coffee, does not need to be reported if paid for separately.
 - b) Any lunches or meals out, which are not part of the core group activity do not need to be reported, as they are not deemed to be u3a activities.
 - c) Holidays booked directly through a travel agent/tour company/hotel with individual members paying the provider direct. If it is easier, the organiser can collate and post the individual cheques to the provider.



4.3 Receipts

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

- Bank paying in slips will not 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 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 South Durham u3a Treasurer.

The 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 South Durham u3a is the 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 (e.g. monthly accounts to the Committee. Accounts will be kept on a payments and receipts basis.

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

7. Reserves

South Durham u3a aims to keep a level of reserves of £5,000 that will cover approximately 12 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.

South Durham 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.

South Durham u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members. Each u3a will determine its policy regarding reduced subscription fees

South Durham u3a does not operate an 'Associate Membership' class. For u3a members who can provide evidence membership of another u3a South Durham u3a will reduce the cost of membership by the amount that is paid to the Trust in membership fees for each member (but not for Beacon).

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 will be reviewed annually.

Assets will be written off in their first year if using a Receipts and Payments system.

8.5 Gift Aid

South Durham u3a is registered with HMRC for Gift Aid and will submit a claim each financial year to recover tax paid on membership fees. The amount received from HMRC will be credited to South Durham u3a Primary Account.

8.6 Card Readers

South Durham u3a does not currently use or accept payments by credit/debit card.

8.7 Procurement Process

For any procurement of a large value item (above £1,000) there must be a documented competitive tender process in place. This is applicable for any capital item or service. If a service, then the above value refers to either a one-off charge or an annual charge. The Committee must agree to the tendering process for the particular contract or purchase order, and this must be agreed before the actual activity is started. If there is required to be any change to the agreed process during the process, the reasons must be explained to the Committee and accepted by them. Prior to the final actual commitment the Committee must approve the proposed conclusion.

Any commitment below the figure above can be single sourced but the Committee should still approve the award recommendation.

9. Investments

9.1 The u3a has as its prime consideration that it is merely holding money on behalf of its members. While the u3a should seek to obtain the best investment returns available, the security of funds takes precedence over returns on investment.

9.2 Investment of funds will be with main banks or building societies and the Charities Official Investment Fund (COIF).



9.3 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, however, it has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.

9.4 No investments will be made into stocks, shares, gilts, or bonds as the risk level would be too high.

9.5 All individual investments must be approved by the Committee.


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

10. References

South Durham u3a has other financial documents in place. These are:

Finance Matters – Guidance (u3a-KMS-DOC-033)

National website link - [Gift Aid Guidance](#)

 Financial Policy Template – u3a-KMS-POL-003		The Third Age Trust
Version	Description of changes	Date
4.0	Content update	04/2025
3.0	Updated formatting	15/04/2022