

FINANCE POLICY u3a CHELTENHAM

Trustees' Responsibilities

In accordance with the Cheltenham u3a 2021 Constitution, sections 9 and 11, all trustees are jointly responsible for the financial activities and records, which are carried out through the Treasurer. The financial procedures are detailed below.

Charity Commission

Cheltenham u3a (Charity number 299146) lodges an annual return to the Charity Commission, detailing income and expenditure, names of trustees and other information. All expenditure must be in accordance with the Charities Act 2022.

Membership fees

The membership fee is to cover the cost of benefits, **available to all members**. Group activities, open meetings and events that are attended by a small proportion of members cover their own costs. Membership procedures are managed by the Membership Secretary. Subscriptions are paid by cheque, by PayPal, by bank transfer or with Cardnet.

Gift Aid

Gift Aid is an important aspect of our income and the Treasurer is responsible for lodging the annual claim with HMRC (Charity Reference XR77180)

Open Meetings

Open meetings are arranged with a range of speakers by the Speakers Secretary. A fee is charged to cover the room hire and the speaker's fee.

Expenditure

Groups may incur costs from hiring premises. These and incidental expenses necessary to run the group's activities are authorised by the group leaders. In case of doubt, or for any unusual expense e.g. request for equipment, proposals should go to the Treasurer for agreement with the Committee.

All funds collected by group leaders belong to Cheltenham u3a and under the charity rules they can only be spent on projects relating to the aims of the u3a. A Group cannot use its funds for any other reason. E.g. If a group has a party or visits a restaurant the members must pay for themselves and no u3a funds are to be used.

For central costs, the Committee has authority to agree expenditure.

Group Accounting

Groups use one of two systems to record group's income and expenditure. Whichever system is used, these funds are charitable and owned by u3a, rather than by the group members.

Under the Direct System, the Group Leader remits members' fees to the Treasury bank account. The Group Leader sends room hire invoices to the Treasurer who

arranges payment. The Treasurer updates the Beacon Finance Ledger (by group). The group leader updates the group ledger/record. Both must be the same and provide an easy check as both ledgers can be seen by the Group Leader and the Treasurer.

Under the Self Accounting System (Indirect System), the Group Leader retains the fees from which he/she pays the rent and other expenses - and must keep a detailed record of income and expenses. He/she is responsible for entering these amounts on the Beacon system, if they have access, OR sending the Treasurer a quarterly return for entry onto Beacon on their behalf if they do not have access.

Banking

u3a uses two Lloyds Bank current accounts, PayPal, and has a Lloyds Cardnet system.

Lloyds Bank current accounts

The main account is operated on an online basis for payments and receipts. Payments require two signatories. Changes to the bank mandate are agreed by the committee. Authorised signatories are the Chair, the Treasurer, the Business Secretary and the Assistant Treasurer (if one has been appointed). To support authorisation, the Treasurer will provide a copy invoice or other documentation when requesting authorisation of a payment. Signatories are responsible for checking the documentation prior to authorising a transfer.

A second bank account is used to collect members subscriptions by bank transfer. The Treasurer transfers money from this account to the main account and provides the membership secretary with copies of the statements.

PayPal

This facility is offered for new members to join and for existing members to renew their membership electronically. The Treasurer transfers money from the PayPal account to the main Lloyds bank account.

Lloyds Cardnet account

This machine enables new members at meetings to pay by credit card. The charges go direct to the main bank account, and from the Cardnet records the Membership Secretary records the named payments.

Accounting basis

Backdated to cover 2023 all accounts are recorded on Beacon on a receipts and payments basis, and audited accounts will be presented on this basis.

It is the view of the Committee that this basis for the accounting is not changed for three reasons

- 1 This system suits the structure of our U3A and was used in all years before 2022
- 2 All records are held on Beacon in detail to be passed to the next Treasurer
- 3 Beacon is easy for an unqualified accountant to use.

All income and expenses, including Membership fees will be recorded at the time they are paid. All accounts are drawn up on a similar basis. Where funds are held for Groups the amount held/owed at the beginning of the year will be carried forward.

Inspection

The annual accounts are inspected/audited by a local firm of Chartered Accountants, before they are presented at the u3a Cheltenham AGM. They do not include the Indirect groups as it is not possible to audit these accounts.

Social activities

Events that are open to the whole membership, rather than just members of a group, such as outings and holidays are deemed to meet the charitable objectives in line with most other U3A's.

In such cases, the organiser needs to advise the Treasurer of an event planned in line with the HOLIDAY's POLICY 2024.

As u3a members offer their services free to the movement, the organiser must not receive any pecuniary reward for organising an event. 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 among all participants to the event.

Asset register

An asset register is maintained by the committee which records all material assets held including their purchase price, date of purchase and location. The register is reviewed annually.

Reserves

The Third Age Trust advises that a Reserve be held in a separate account. The minimum reserve at end of the financial year shall be £5 per member, enough to cover 125% of the Third Age Trust capitation fee. Our reserve is held in an interest-bearing account with Lloyds Bank. At December 2023, we had 1,792 members, so we needed a reserve of £8,960. At the end of 2024 we have approximately 2000 members so we need £10,000 which is what we have in reserve today. The reserve will be adjusted according to membership levels at the end of each financial year.

This Finance Policy replaces that agreed in June 2024.

Stephanie Molyneux, Treasurer
Agreed by Committee February 2025