

## **Finance Policy**

### **1. Scope**

This Policy sets out the collective responsibilities of Kenilworth u3a Executive Committee members as regards financial matters. It includes information that other members (e.g. Outings organisers and Interest Group Leaders) handling money relating to Kenilworth u3a activities must follow.

### **2. Accountability**

All members of the Kenilworth u3a Executive Committee are also Charity Trustees. Collectively, Trustees are responsible for the safe custody of members' money and the proper handling of all its funds, including those relating to Interest Groups and general social events and cannot delegate this responsibility to non-Trustees. In the event of any financial irregularity at either Executive Committee or Interest Group Leader level, the Trustees could be held liable if they have not taken all possible steps to minimise potential areas of risk. Trustees are therefore strongly recommended to follow best practice recommendations of the regulatory authorities and The Third Age Trust (the Trust). It is not possible for an individual Trustee to opt out of collective responsibility.

All members of u3a Executive Committees are covered by Trustee Indemnity insurance that is provided by the Third Age Trust. This protects the trustees, both individually and as a board, against a genuine mistake, error of judgement or wrongful act, providing they have acted responsibly and followed their Constitution. If proper procedures have not been followed and/or the Constitution has not been adhered to, or if trustees have become aware of bad practice and not put it right, they may not be covered under this policy. In all circumstances, an excess of £250 would apply.

The funds of Kenilworth u3a should be used to benefit as many existing members as possible. It is not permissible to spend money other than in furtherance of Kenilworth u3a's objectives.

### **3. Status**

Kenilworth u3a is a registered charity in England and Wales, number 1184403. All u3as, as members of the Third Age Trust, have charitable constitutions with charitable objects/purposes, based on the model provided by the Trust, and are subject to charity law.

### **4. Handling Money: Accounts and Associated Financial Recording**

Kenilworth u3a operates two bank accounts: one current account plus one for earning interest on funds not immediately required. These are managed by the Treasurer. There

are four authorised signatories, any two of whom must sign all cheques and requests made to the bank.

The Treasurer has sole access to online banking facilities, but must report details of all payments he/she has made to the next Executive Committee meeting.

Another Trustee must have access to the details of the banking facilities so that he/she could, in an emergency, manage them.

Two cash floats are maintained, £5 for refreshment sales and £10 for membership purposes at Open Meetings.

## 5. Membership Fees

Kenilworth u3a charges an annual subscription which covers the cost of monthly Open Meetings, administration, Trust membership subscriptions (see below), Trust magazine distribution and general expenditure. The level of subscription is reviewed annually by the Executive Committee, with any proposed change discussed and voted on by the membership at the AGM. When a new member joins after the month of August, there is a reduced membership fee until the end of that calendar year.

Members who pay sufficient income tax are encouraged to register for Gift Aid, which is claimed annually from HMRC.

Kenilworth u3a is required to pay a membership fee to the Trust for all members who register with Kenilworth u3. However, where a member of another u3a wishes to also be a member of Kenilworth u3a that member may become an affiliate of Kenilworth u3a upon payment of the relevant subscription provided that he / she provides evidence of membership of another u3a. Kenilworth u3a does not have to pay a membership fee to the Trust for the affiliate as the fee will be paid by the other u3as.

A charge of £1 is made for attendance of non-members at monthly Open Meetings.

## 6. Groups Financial Transactions

The activities of all Interest Groups come under the auspices of Kenilworth u3a, so financial transactions need to be recorded for inclusion in the main Kenilworth u3a accounts.

Interest Group Leaders are accountable to the Executive Committee for the effective management of their Groups' funds. Interest Groups' monies should not be transacted through personal bank or building society accounts, **except in the one circumstance defined in the GLs Handbook**, nor should any Interest Group operate its own bank account.

Each group is autonomous and is expected to cover its own running costs.

Group Leaders or deputies are required to keep records of monies paid by Members at each meeting, outgoings and the balance carried forward.

Interest Group money balance belongs to the Kenilworth u3a, not to the Interest Group. If for instance a group is wound up, it is for the Trustees (i.e. the Committee) to decide on the disbursement of any final balance.

An annual return, signed by the Interest Group Leader or Deputy, and covering the 12 months to 31 December, should be submitted to the Treasurer by the 7<sup>th</sup> January each year. Receipts for significant expenditure incurred should be attached.

Where Interest Groups meet in private houses and a donation is made to the host to cover the costs of refreshments there is no need for records to be kept.

New groups are entitled to a £30 start-up grant which should be authorised by the Executive Committee.

## **7. Payments to Other Charities**

A u3a cannot make grants or raise funds for another charity that does not have similar charitable objectives.

A one-off donation to another charity requested by a speaker, in lieu of a fee, may be made as it does not contravene any rules on payments to other charities. Fees may be paid to external speakers. The maximum level of fee may be set and / or amended by the Executive committee. Any Kenilworth u3a member giving a talk must not be paid a fee but legitimate expenses can be reimbursed.

## **8. Theatre visits and Outings**

Theatre visits or educational days including holidays must be charged at cost, and all participants should be charged appropriately. The organizer of the event should not benefit from any discount (e.g. a free place) offered by the organization providing the event. The value of free places should be shared out among all participants to the event.

Normal out of pocket expenses can be paid to an organizer out of the money collected for the event. As all Kenilworth u3a members offer their services free, the organizer(s) must not receive any pecuniary reward for organizing an event.

## **9. Reimbursement of Expenses**

Trustees may claim a refund of costs which they have incurred in order to carry out their duties. Claims for these expenses must be supported by receipts, except where it is unreasonable to expect this, for example, where very small amounts are claimed. Examples of legitimate expenses include authorised travel on trustee business (car mileage expenses according to Third Age Trust advice), postage, stationery and telephone calls. All expenses must be authorised by the Treasurer and no-one can authorise their own claim.

Group Leaders/members may be reimbursed for any legitimate additional expenditure.

## 10. Financial Reporting

Kenilworth u3a's financial year end is 31<sup>st</sup> December.

The Treasurer should maintain the accounts by whatever means he/she deems appropriate, with any computer files being adequately backed up.

The Treasurer should provide the Executive Committee with periodic financial reports during the year and produce a set of accounts, for the approval of the Executive Committee, which will provide details of all income and expenditure (including that of all Interest Groups) in the financial year and a statement giving details of any assets and any liabilities at the end of the year. These accounts should be subject to review by an independent Examiner and presented to the AGM.

Kenilworth u3a is required to submit an Annual Return to the Charity Commission and if total income exceeds £25,000, a copy of the accounts, together with a Trustees' Annual Report. The Annual Return (and accounts, where appropriate) should be submitted to the Charity Commission within 10 months of the financial year end.

Accounts should be retained for 6 years. Gift Aid declarations should also be retained as required by HMRC.

## 11. Assets Register

An asset register, listing the pieces of equipment purchased by Kenilworth u3a, together with details of where they are located, should be maintained and updated as required.

## 12. Reserves

Kenilworth u3a should maintain general reserves to ensure continuity in the event of a sudden drop in income, to cope with unexpected and unplanned increases in expenditure, to replace assets, to cover future equipment demands and to deal with any emergency. They provide a contingency for expenditure over and above day-to-day commitments and other planned outgoings. Kenilworth u3a's present reserves target is 50% of gross annual expenditure on General Activities.

## 13. Availability and changes to this policy

This policy is available on our website: Kenilworth u3a: <https://kenilworth.u3asite.uk/> . This policy may change from time to time. If we make any material changes we will make members aware of this via the emailed Bulletin.

## 14. Contact

If you have any queries about this policy, or need it in an alternative format, please contact the Treasurer.

This policy has been reviewed and was then adopted on 4<sup>th</sup> March 2025. **One small change added in section 6 (red font) on 6<sup>th</sup> February 2026.**

Next policy review date: November 2027