



Ilkeston u3a Financial Policy & Procedures

Policy

This document outlines how Ilkeston u3a controls and manages its financial resources.

1. Trustees' financial responsibilities

The Trustees (committee members) of Ilkeston u3a are responsible for:

- Safeguarding the assets of the charity
- Identifying and managing the risk of loss, penalty, waste, theft or fraud
- Ensuring the financial reporting is robust, accurate and timely
- Keeping financial records in accordance with the governing document (our constitution) and relevant legislation (e.g. Charities Acts, Data Protection, etc.)
- Preparing Annual Accounts in accordance with the governing document and relevant legislation
- Ensuring the accounts show a true and fair view of the state of affairs of Ilkeston u3a

Trustees are jointly responsible for keeping full financial records. These include those of Ilkeston u3a and all the interest groups, sub-groups etc., where appropriate. Day to day financial activity and monitoring is delegated to the Treasurer and Group Leaders respectively. The Treasurer is responsible for maintaining financial records, and preparing financial accounts for the AGM and filing with the Charity Commission.

To enable the Trustees to carry out these responsibilities, the financial procedures detailed in this paper will be followed. Providing the Trustees act responsibly they are covered by Indemnity Insurance provided by Third Age Trust. However, in all circumstances an excess of £250 will apply (subject to annual review).

2. Reserves

Ilkeston u3a aims to keep a level of reserves that will cover 6 months of regular operating activity. This is considered by the committee a reasonable level for this type of charity and its predicted liabilities.

Social and Group activities are excluded from this figure as these activities are required to be entirely self-financing.

3. Document Retention

All financial documents and records will be retained for six years, including Gift Aid declarations. Annual accounts will be retained for the life of Ilkeston u3a.



4. Asset Register

An asset register (equipment list) will be maintained by the Treasurer, which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location. It should be noted that under the receipts and payments reporting system, that Ilkeston u3a follows, all assets are fully written off against receipts in the year of purchase. The asset register is reviewed annually.

5. Gift Aid

Ilkeston u3a is registered and recognised by HMRC for Gift Aid. Ilkeston u3a will endeavour to claim Gift Aid where it is allowable.

Financial Procedures

Ilkeston u3a records its financial affairs on a receipts and payments basis. The Trustees receive a statement of account at each Committee meeting. Annual accounts are prepared up to 31st December and are checked by an independent examiner appointed at the AGM. Ilkeston u3a is a Registered Charity, number 1184754, and must produce a Trustees Annual Report

6. Banking

6.1. Bank account

- The bank account is in the name of Ilkeston u3a and operated by the Trustees.
- Any 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.
- There are three authorised signatories drawn from the Trustees, one of whom will be the Treasurer. This responsibility cannot be delegated.
- All cheques and authorisations must be signed by two out of the three signatories.
- Wherever possible the signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an online payment.
- The signatories are responsible for examining the cheque or payment authorisation for accuracy and completeness.
- All bank statements are sent to the Treasurer directly.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.
- Whenever practicable two people should be involved in counting cash receipts.



6.2. Online banking

Ilkeston u3a operates the bank account online. The three authorised signatories 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.

Access to the online bank account is via a card reader and personal access card enabling the authorised signatory to log on to the bank system with a personal username, password and access code.

6.3. Bank cards

Due to the dual authorisation needed for any purchase or payment from the bank account Ilkeston u3a does not have any bank debit or credit cards.

6.4. Personal debit or credit cards

Because Ilkeston u3a does not have a bank card the use of personal debit or credit cards for Ilkeston u3a or interest group activities may be necessary but needs to be managed. If a personal card is to be used a credit card should be used in preference to a debit card as it may offer the buyer more protection should the supplier fail to deliver the goods or services purchased (although the protection offered is really for the purchaser only).

Such transactions should be agreed by email with the Treasurer before the member incurs the expense. These transactions / expenses will be reimbursed on receipt of an expense claim and recorded in the u3a accounts. Receipts will be required and if possible invoices should be in the name of Ilkeston u3a.

If the purchase is for equipment for Ilkeston u3a the Trustees should ensure proper due diligence in its purchase procedures such as getting quotes, analysis, and committee approval.

The aim here is to be pragmatic whilst keeping a level of control.

6.5. Cash Handling

6.5.1. Petty Cash

A nominal £20 is kept as a float for small incidental purchases. This is held by the Treasurer.

5.5.2 Cash Receipts

All cash balances, wherever they are held, should be kept to a minimum to reduce the risk of loss or theft. All receipts should be banked through Ilkeston u3a's bank account, not a member's personal bank account. This is an expectation of the Crime Insurance cover.



Therefore all cash received at Open Meetings will be banked and recorded. All membership fees paid by cash will be banked and recorded.

Cash received by Group Leaders from their group members will be handled in accordance with the following section.

7. Groups' finances

Interest groups are expected to be self-financing and can collect such sums of money as the group members and Group Leader deem necessary to undertake their activities. The funds of these groups belong to Ilkeston u3a. Groups are permitted to make any expenditure deemed necessary by the group members and the Group Leader can withdraw money on request from their group's funds if it has been banked with Ilkeston u3a.

Group Leaders need to keep records of the group's financial transactions in order to keep group members informed, and to send to the Treasurer a simple income and expenditure statement by 31st December each year. Receipts should be submitted with the income and expenditure statement. This statement enables the Treasurer to finalise the annual accounts. If no money is collected or spent in a given year a Nil Return by email is sufficient.

Cash held by groups is insured up to £300 in members' homes, but it is not advised to keep this amount long term. At the discretion of the Group Leader group funds can be given to the Treasurer for banking.

7.1 Receipts

Money received from group members should be recorded, the method of which is left to the discretion of the Group Leader, but should be sufficiently robust to avoid any errors or losses.

7.2 Payments

Receipts should be obtained wherever possible.

Outside speakers should be asked to state their fees and any travel costs at the time of booking and paid from the group's cash funds or a cheque obtained from the Treasurer if group funds have been banked.

The use of paid tutors must be agreed in advance with the Committee. Paid tutors must provide evidence of their self-employed status, their UTR (Unique Tax Reference) number and a copy of the Public Liability Insurance Certificate. They must invoice Ilkeston u3a.

The regular hire of premises should be agreed in advance with the Committee who carry the legal responsibility. Checks should be undertaken to ensure the venue is suitable with a risk assessment which should include proof that the venue has Public Liability Insurance.



It is recommended that funds collected from group members to cover the cost of the venue or hall hire, and the payment itself, go through Ilkeston u3a's bank account.

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.

7.3 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 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.

7.4 Refunds

There is no automatic refund entitlement of either an initial deposit or full payment for any outing or activity, unless an outing or activity has to be cancelled for any reason. If a member is unable to go a refund will only be given if a replacement is found and this would incur no detriment for other attendees.

Once a cancellation is confirmed the total cost, including any applicable administrative fees, should be divided by the number of people attending. This will give an individual cost, and therefore prevent the income exceeding the expenditure.

Refunds should be calculated and given **after** the event, to allow for any known or unforeseen costs that have been incurred to be deducted.

8. Payments to other charities

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

9. Expenses policy

Out of pocket expenses (e.g. refreshments) incurred by an Ilkeston u3a volunteer, will be reimbursed, providing an expense claim form has been submitted, with receipts, to the



Treasurer. The appropriate form (copies available from the Treasurer) must give sufficient details as to the nature of the expense.

The claim will be authorised by the Committee, but no committee member should authorise their own claim.

Very exceptional circumstances (e.g. attending the Trust's AGM & Conference, mileage, travel at the cheapest option available, parking & overnight accommodation - all receipts required) will need the prior agreement of the Committee.

10. Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Ilkeston u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

For those who can provide evidence of membership to another u3a, Ilkeston u3a will reduce the cost of their membership by the amount that is paid to the Trust for each member. This is called Associate Membership.

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