

## 1. Policies

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

This policy is part of the governance arrangements. It sets out the financial framework and principles within which the Trustees of u3a in Kennet 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 u3a in Kennet 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 u3a in Kennet 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
- Maintaining details of key financial processes for contingency and succession purposes

## **3. Banking**

### **3.1 Bank Mandate**

The bank mandate stipulates that any two authorised signatories are required to approve online banking payments, sign cheques or authorise changes to the u3a in Kennet bank accounts.

Authorised signatories will normally be Trustees of u3a in Kennet and will include the Chair, Vice-Chair, Secretary and Treasurer from time to time. Additional signatories may be added with the express (minuted) approval of the Executive Committee.

A separate list of authorised signatories is to be maintained by the Treasurer and will form an Appendix (10.1) to this policy document.

### **3.2 Bank Accounts**

- All bank accounts (including Group bank accounts, where applicable) are in the name of u3a in Kennet 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 two from Chair, Vice Chair, Secretary and Treasurer and/ or other Trustees. 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 plc 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 Executive 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 u3a in Kennet will be approved by the Executive Committee. If the Executive Committee agrees to the issue of a bank debit card then this policy must be updated to align with national guidance.

### 3.5 Personal Debit or Credit Cards

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 supported by receipts or invoices.

The use of personal debit or credit cards for interest group activities will be closely managed. Permission must be sought from the Executive Committee or Treasurer where a group feels that there is no other viable way to make payments.

Prior approval must be given by the Executive Committee for equipment and other items to be purchased for the use of u3a in Kennet 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 supported by receipts or invoices.

## 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 u3a's wider membership, for example regarding Outings or Speakers. Therefore, the term Group Leader shall cover, for example, Trip Organiser or similar.

The Executive 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 Executive 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 £30

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 u3a in Kennet bank account the Executive Committee has decided that:

- Bank paying in slips will not be given to Group Leaders for this purpose
- Group Leaders may pay sums due by 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

### 4.4 Payments

The Executive Committee will inform relevant Group Leaders in writing of 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 u3a (the Treasurer)

The Executive 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 their self-employed tax status and 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 u3a in Kennet is 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 reports and accounts to the Executive Committee. Accounts will be kept on a payments and receipt basis and so SORP 2026 does not apply

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data, which must be retained for six years after membership ceases or the member has advised of their ineligibility for Gift Aid

## **7. Reserves**

u3a in Kennet aims to keep a level of reserves that will cover approximately six months of regular operating activity in addition to funds due to the Third Age Trust. This is considered by the Committee a reasonable level for this type of charity.

Social and Group account activities are excluded from this figure as these activities are inflated by high-cost activities and are entirely self-financing.

## **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.

u3a in Kennet 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 in the expense claim 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.

u3a in Kennet is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

For u3a members who can evidence membership of Devizes & District u3a, Pewsey Vale u3a or Hungerford and District u3a, then u3a in Kennet will waive the membership fee enabling them to join up to two u3a in Kennet Groups. These 'Associate' members do not have voting rights at u3a in Kennet Annual General Meetings or Emergency/Extraordinary General Meetings.

## 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 and location. The register will be reviewed annually.

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

## 8.5 Gift Aid

u3a will claim Gift Aid in respect of annual subscription payments received from each member that has made a valid Gift Aid declaration. It is the responsibility of individual members to notify the Treasurer if their tax status changes such that they are no longer eligible for Gift Aid.

## 8.6 Card Readers

u3a in Kennet uses a card reader to take payments for membership subscriptions by credit or debit card. This is configured to pay the amount net of charges directly into our bank account. The gross transaction amount and charges must be recorded separately in the Receipts and Payments system.

## 8.7 Procurement Process

For any procurement of a large value (above £1,000) item there must be a documented competitive tender process in place. This is applicable for any capital item or service. The EC must agree to the tendering process for the particular contract or purchase order, and this must be agreed before the actual activity is started. Prior to the final actual commitment the EC must approve the proposed conclusion.



Any commitment below the figure above can be single sourced but the EC 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.

9.3 These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies offer cover by the FSCS guarantee (limited to £120,000 per institution).

9.4 No investments will be made into stocks, shares, gilts, bonds, property or crypto assets 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.



## References and Appendices

u3a in Kennet has other financial documents in place which should be referred to for more detailed guidance on the application of this policy. These are:

	Document	Location
10.1	Bank Mandate	Dropbox > Accounts > Procedures
10.2	Key Financial Processes	Dropbox > Accounts > Procedures
10.3	Finance Matters – Guidance	<a href="https://www.u3a.org.uk/all-documents/finance-matters-guidance-2025-2">https://www.u3a.org.uk/all-documents/finance-matters-guidance-2025-2</a>
10.4	Finance FAQs July22	<a href="https://www.u3a.org.uk/all-documents/finance-faqs-2-3">https://www.u3a.org.uk/all-documents/finance-faqs-2-3</a>
10.5	Banking Guidance August23	<a href="https://www.u3a.org.uk/all-documents/banking-guidance">https://www.u3a.org.uk/all-documents/banking-guidance</a>
10.6	Gift Aid Guidance	<a href="https://www.u3a.org.uk/all-documents/gift-aid-guidance-oct-2021">https://www.u3a.org.uk/all-documents/gift-aid-guidance-oct-2021</a>
10.7	Insurance Overview	<a href="https://www.u3a.org.uk/edocman-downloads/insurance-overview-2-2">https://www.u3a.org.uk/edocman-downloads/insurance-overview-2-2</a>

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0.0	Financial-Policies-Template-Rev2025 <a href="https://www.u3a.org.uk/all-documents/financial-policies-template-2025">https://www.u3a.org.uk/all-documents/financial-policies-template-2025</a>	The Third Age Trust	
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