



Lancaster and Morecambe u3a

Financial Policy

1 Purpose

All charities are required to determine their “Internal Controls” for running the charity, one of these being the Financial Controls, or Financial Policy.

2 Trustees’ financial responsibilities

The trustees of Lancaster and Morecambe u3a are responsible for:

- Safeguarding the assets of the charity.
- Identifying and managing the 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 and relevant legislation, e.g. Charities Acts etc.
- Preparing Annual Accounts in accordance with the governing document and relevant legislation.
- The accounts should show a true and fair view of the state of affairs of the u3a.

Trustees are jointly responsible for keeping full financial records. These include those of the u3a and all the interest groups, sub-groups etc., where appropriate.

To enable the trustees to carry out these responsibilities, the financial procedures detailed below will be followed.

A copy of this policy will be given to all trustees on their election/appointment to the committee and made available to members on the website.

The policy will be kept under review and revised as necessary.

3 Banking

3.1 Bank accounts

- All bank accounts are in the name of Lancaster and Morecambe 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.
- The authorised signatories are the Treasurer and a minimum of two other Trustees. This responsibility cannot be delegated.
- All cheques must be signed by two signatories.
- All online bank payments require two authorisations.
- The signatories are responsible for examining the cheque for accuracy and completeness.



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- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an internet transfer.
- All bank statements must be 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 practical two people should be involved in counting cash receipts.

3.2 Online banking

Where online operation of the bank accounts is in place only trustees approved by the committee will have access to this facility. The security of the Lloyds Banking online system is in line with the arrangements offered by Lloyds Bank and in accordance with the mandated approval limits. The Security of the PayPal system is similarly in line with PayPal's arrangements and linked and balanced to the Beacon membership system as an additional control. This system is only to be used for membership receipts and no payments other than balance transfers to our Lloyds Current account are authorised.

3.3 Payment by bank cards

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 is via a card reader and personal access card after logging on to the bank system with a personal password and access code.

The issue of any bank debit or credit card in the name of Lancaster and Morecambe 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). Use of these cards is restricted to cases of absolute necessity where other payment methods are not appropriate. All such payments must be supported by an invoice or receipt made out to Lancaster and Morecambe u3a.

Lancaster and Morecambe u3a holds Lloyds Bank business debit cards for the two current accounts. These are held by the Treasurer. All transactions made using these cards appear immediately on the appropriate bank account (subject to the timescales for electronic banking transactions) and are subject to review by the nominated officers through the online banking service.

3.4 Personal debit or credit cards

The use of personal debit or credit cards for interest group activities needs to be closely managed. Permission must be sought from the committee 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 Lancaster and Morecambe u3a or specific interest groups. In



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these circumstances, it may be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim.

All invoices must be issued in the name of Lancaster and Morecambe u3a.

4 Groups' finances

Members attending interest groups using a hired venue contribute towards the hire costs and other direct costs. For most of the groups there is a standard member's contribution per attendance. For groups hiring sports venues and equipment or other expensive venues the contribution is set on an individual basis to recover the total direct costs of those venues. All funds collected from interest groups are u3a funds and must be banked into our bank accounts as soon as practical.

Our standard contribution is set by the Trustees with the aim that overall, our groups are self-financing. It is reviewed continuously as venue costs and attendances change.

Interest groups are not expected to be self-financing and will collect such sums of money as agreed by the committee as an appropriate contribution to the cost of their activities. They are not expected to hold, or withhold funds, for their exclusive use but may deduct incidental monies at any meeting to cover refreshments or consumable items. All monies collected must be banked promptly and information detailing amounts collected and deducted passed on to the Treasurer, by paper slip (with cash), email or use of the Beacon Groups Statement. The Treasurer, Group Co-ordinator and Group Leader(s) need to agree what records they need to keep of the group's transactions 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.

4.1 Receipts

To manage the handover of cash and cheques to be paid into the Lancaster and Morecambe u3a bank account the committee has decided that:

- Cash collected may be deposited in a safe box at LQMH with an appropriate slip identifying group and amounts. This box is to be regularly emptied and banked by an authorised member and a summary sheet fully analysing the banking sent to the Treasurer.
- Bank paying in slips may also be given to group leaders for this purpose if appropriate.
- Group leaders may 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 these need to be fully analysed and documented to the Treasurer.



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4.2 Payments

The committee will inform relevant group leaders as to the approved process for payments relating to:

- When a trip is organised by and paid through the u3a.
- When payment for venues, coaches, speakers etc must be paid by the u3a.

Outside speakers should be asked to state their fees and any travel costs at the time of booking and a cheque obtained from the Treasurer.

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.

4.3 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.

4.4 Payments to other charities

In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives. Lancaster and Morecambe 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.

5 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. Expenses claims will be authorised in accordance with our authorisation policy and no committee member can authorise their own claim. Expenses will include – with committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

All claims need to be made on the appropriate form (copies available online) giving sufficient detail as to the nature of the expense.

Expense claims should reflect the cheapest travel option available. Travel by car will be reimbursed at the current HMRC approved rate for the actual mileage travelled. Car parking and congestion charges can be reclaimed (with receipts) but parking or other fines will not be allowed.

Overnight accommodation will only be allowed in exceptional circumstances and will normally need the prior agreement of the committee.



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6 Membership Fees and membership of more than one u3a

The membership fee is reviewed on an annual basis. Lancaster and Morecambe u3a 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 another u3a, Lancaster and Morecambe u3a will offer a reduced associate membership.

7 Asset register

An asset register is maintained by a nominated member who will record all assets held including their initial purchase price, date of purchase, estimated nominal value and location.

It should be noted that under a receipts and payments reporting system, all assets are fully written off against receipts in the year of purchase. The register is reviewed annually.

8 Reserves

Lancaster and Morecambe u3a aims to keep a level of reserves that will cover 12 months of regular operating activity. This is considered by the committee to be a reasonable level for this type of charity.

Social account activities are excluded from this figure as these activities are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing.

Based upon the TAT template - Financial Policy Template – u3a-KMS-POL-003

Our file name is: LandM u3a Financial Policy April 2025

Title			
Version	Description of change	By	Date
1.0	New policy created from template by TAT	MPH/NJC/MWH	March 2025
1.1	Approved by the Committee	Committee	April 2025