



Introduction

The Third Age Trust issue a range of guidelines on running a U3A, one of which covers finance. Previous Group Finance Guidelines were drawn up in line with Third Age Trust documents and this current issue continues that tradition, clarifying and updating our current practice to follow updated guidance.

The Avoidance of Risk

As with any enterprise, the management of money carries risks. The main risks are:

1. Should the Group Leader (or nominated individual holding funds) either go bankrupt or die whilst holding those funds then the funds become part of the assets/ estate of that individual and could therefore be difficult to recover.
2. Members and Group Leaders lack the legal authority required to enter into contracts with third parties or operate bank accounts. Only the Trustees of the U3A (Committee members) are authorised to do so. If a member or Group leader enters into a contract, they do so at their own risk.

With any financial transaction there is some inherent risk. The guidelines are aimed at reducing these risks to the Group Leader and U3A as far as is practical.

Principles and Guidelines

The following principles are derived from the guidelines:

1. Any cash float held by your group should not exceed £150 and should only be as much as is required for your immediate needs. If your needs exceed this figure you should contact the Treasurer for advice.
2. It is best practice not to mix personal and U3A finance, though there are times when this is unavoidable, such as purchasing material online using your card. Such purchases should be limited to no more than £150.00.
3. The Treasurer is able to make payments through BACS, or by cheque, should your costs exceed normal cash handling capabilities.
4. Cash floats should only be used to cover variations in members attendance at meetings. That is, to cover potential shortfalls due to occasional low attendance. If this situation persists, consider reducing costs or increasing fees in consultation with the members of your group.
5. An alternative to making a per meeting charge is to collect enough cash to cover several meetings and only taking fees as the float reduces.
6. Where Group Meetings are held in members' homes, no more than 50 pence should normally be charged per member and paid to the host to cover refreshments and other sundry costs.
7. If you have a special event, such as an outing or a speaker, money should be collected separately from the normal meeting costs. For large value events, such as holidays or visits (theatre, historic houses, coach travel etc.), payment should be made either to the travel agent individually or to Pershore and District U3A where the Treasurer will manage the payments on your behalf.
8. If you are organising an expensive event, the value of free places (if any) should be shared amongst all participating members. Tickets/ bookings for an event must be paid up front and are not normally refundable. However, any member unable to attend is encouraged to find a replacement member to

take their place when a refund can be made. Group Leaders may consider creating a waiting list. Booking of facilities should not be made until sufficient funds are available to cover the costs.

9. Do not overspend your group funds. If such an issue seems likely to arise, ask for advice and support from the Committee in a timely fashion.
10. Pre booking of halls as a one-off event is permissible as long as the Group Leader has the funds at the time of booking to pay for the hall. Group Leaders should therefore ensure that a sufficient float is held to cover such costs.
11. No one should enter into a contract, i.e. sign anything, without it first being authorised by the committee. This includes block booking of halls, where there are cancellation clauses, for instance. In practice a member of the Committee will be authorised to sign any such document and ensure that the Treasurer is aware of the potential liabilities and has a copy of the contract.
12. Unusual payments to members (for instance insurance for assets owned by a member) should be approved by the Committee before such contracts are entered into. Depending on the value it may be prudent for the Treasurer to collect and make these payments on behalf of the U3A.

Financial Reporting

The U3A has to produce an annual report to the Charity Commission detailing the funds held by the U3A as part of our annual accounts. The funds held by Groups are part of the U3A's total funds and therefore have to be reported along with the bank accounts and petty cash accounts we operate. Although our accounts are not audited in the strict sense of the word, they do have to be independently reviewed. To that end all Groups that hold money beyond their immediate needs should record the transactions and report these with the final balance at the year-end (30 September). Prior to the financial year-end, a request will be made for all Group Leaders to report on the balance of funds held.

Beacon

Beacon has facilities to manage Group membership and finances. A simple ledger account exists for each Group and is entirely separate from the main accounts. Beacon facilities include:

- Membership lists of the Group members, with the ability to email or otherwise contact the member either individually or as part of a group email.
- Group Scheduling. As part of the calendar function, Groups meeting at regular intervals can set their meeting dates, times and venues into the future.
- Simple financial ledger for recording income and outgoing with the ability to print reports.
- Members have the facility to update their personal details on line or via the Membership Secretary.

Finally

The Committee is here to help. Our role is to make life as easy as possible, whilst removing risk and staying legal. If in doubt, or if you think something can be improved, please contact a member of the Committee.