

## **Dronfield and District u3a**

### **Finance Policy**

Version: 1.3

Date Approved: 24 November 2025

Next Review Date: November 2026 (annual review required)

#### **1. Introduction**

- a. The purpose of this policy is to provide guidance for the operation and reporting of all financial matters at Dronfield & District U3A (hereafter DDU3a).
- b. This policy is based upon the financial template provided by Third Age Trust (TAT), with adaptation to reflect the requirements of DDU3a.
- c. DDU3a has adopted the rules and regulations as set out on the Charity Commission website relating to financial activity and reporting. This supports the objectives of safeguarding charity assets, administering the finances and assets in a way that identifies and manages risk, and ensuring the quality of financial reporting.

#### **2. Policy**

##### **a. Executive Committee Financial Responsibilities**

DDU3a's Executive Committee is responsible for:

- i. Safeguarding the assets of the charity.
- ii. Identifying and managing the risk of loss, waste, theft, fraud or cyber-crime.
- iii. Ensuring that the financial reporting is robust and of sufficient quality.
- iv. Protection of members' data.

To enable the Executive Committee to carry out these responsibilities, the Treasurer will ensure detailed reporting of all financial procedures are available to Trustees.

##### **b. Treasurer and Executive Committee Responsibilities**

In conjunction with the Executive Committee, the Treasurer is responsible for:

- i. Safeguarding the assets of DDU3a.
- ii. Identifying and managing the risk of loss, waste, theft, fraud or cyber-crime.
- iii. Ensuring the financial reporting is robust and of sufficient quality. Providing monthly reports for committee meetings.
- iv. Preparing and issuing an annual Income & Expenditure Statement and Balance Sheet.
- v. Retaining financial records (*for 7 years*) in accordance with relevant legislation.
- vi. Working with the auditor to ensure the accounts show a true and fair view of the state of affairs of the u3a.
- vii. Taking measures to protect the confidentiality of members' financial data.
- viii. Ensuring that this policy, together with the cash, cheque and online banking limits specified in paragraphs 3.b.iv, 3.c.ii, 3.c.iv and 3.d.i and 3.d.ii, and printing costs specified in paragraph 5.b, are reviewed annually in the month following the u3a's Annual General Meeting each year. The Treasurer will submit any changes recommended by these annual reviews to the Executive Committee for approval.

**c. Payments to Other Charities**

- i. Under the guidelines laid out by TAT, no u3a is allowed to raise funds for another charity that does not have similar charitable objectives. Therefore, DDU3a will make payments to speakers who may have indicated that they intend to donate their fee to a specific charity but not direct to their nominated charity.

**d. General Data Protection Regulation (GDPR)**

- i. The Treasurer will not disclose or use any confidential financial details e.g.as obtained from cheques or electronic payments for any purpose other than the intended payment process.

**3. Transactions**

**a. Receipts and Other Monies Received**

- i. DDU3a operates a receipts and payments account and uses TAT's Beacon system for recording transactions and the production of financial reports.
- ii. Membership fees may be made by online payment or by cheque/cash. The Treasurer must liaise with the Membership Secretary who will ensure that all payments are processed and recorded, using the Beacon system.
- iii. DDU3a is registered with HMRC for the purpose of claiming Gift Aid. For members who pay tax, and have provided permission, DDU3a will seek to claim a percentage of the membership fee from HMRC.
- iv. Receipts will always be given to a member, or group coordinator, where money is exchanged. This may be done by email if appropriate.
- v. Where net sums are being paid over by a group coordinator to the Treasurer, their purpose needs to be fully clarified e.g., room hire.

**b. Payments**

- i. Payments may be made by the Treasurer in the form of cash, cheque or via on-line banking. Payments will only be made against receipt of approved invoices:
- ii. For more expensive activities e.g., organised trips, theatre, etc, an approval process should be agreed with the Treasurer, who will hold monies paid in advance, pending payment.
- iii. Group' funds will be ring fenced and not be used for settlement of any DDU3a day to day expenditure.
- iv. Group Coordinators should not use their own funds to pay for anything, unless agreed by the Treasurer (£50 maximum) or Executive Committee (any amount). This would be a temporary arrangement for pragmatic or efficiency reasons.
- v. Group Coordinators may use cash funds they have collected for settlement of small invoices e.g. weekly hire of a room. Larger payments e.g., for multiple room hire, venues, coaches, speakers etc should be paid by the Treasurer through the DDU3a bank account, with cash collected by Group Coordinators for such expenditure paid to the Treasurer.
- vi. Outside speakers should be asked to state their fees and any travel costs at the time of booking, with settlement on delivery, by cheque or online via BACS payment. If virtual platforms are used, then the Treasurer will send the payment directly.

**c. Cash**

- i. The Treasurer may maintain a small cash float available for immediate settlement of invoices where the amount does not justify the issue of a cheque.
- ii. This sum will generally be kept to a reasonable amount to reduce the risk of loss or theft. The Treasurer will decide what amount is appropriate, and this may vary according to temporary circumstances. It requires no prior approval from the Executive Committee up to an agreed ceiling figure (£500 as at July 2021), beyond which the Treasurer must explain the necessity and obtain minuted Committee approval.
- iii. Surplus cash should be deposited in the bank account as soon as is practical.
- iv. The Membership Secretary and Group Co-ordinators are also permitted to retain small amounts of cash (£100 maximum as at July 2021) to facilitate operational activities. If larger amounts of cash are collected, the Membership Secretary/Coordinators are encouraged to pay into their personal accounts, for onward transfer online or cheque payment to DDU3a's bank account. Whenever this is done the Treasurer must be contacted (by telephone or a covering email) explaining the transaction. On the first occurrence, the Treasurer will provide DDU3a's bank details verbally.

#### d. **Banking**

##### i. Bank Accounts

- All bank accounts are in the name of DDU3a and operated by the Treasurer, or nominated signatories approved by both the Executive Committee and bank.
- New accounts, or changes to the bank mandate require the prior, minuted approval of the Executive Committee.
- There shall be a minimum of three, and a maximum of five authorised signatories to the accounts.
- The bank mandate stipulates amounts up to £150, require only one signature on cheques, with anything above this figure requiring two signatures.
- The Treasurer's home address is used for bank statements and PayPal sends updates to the Treasurer's DDU3a email account. Upon login, all PayPal transactions and activities are shown online.

##### ii. Online Banking

- Where online banking facilities exist, this shall be managed by the Treasurer and comply with the mandated agreement. For payments above £250, approval by text or email from another signatory is required prior to being actioned.
- Any signatory authorised for online banking will ensure that their password is not shared with anyone, is memorised, or recorded in a code only they can interpret, and changed every 12-18 months.

##### iii. Debit Card

- The issue of any bank debit card in the name of DDU3a will be approved by the committee.
- The card will be held by the Treasurer. Any transaction made using the card must be supported by an invoice or receipt made out to DDU3a.
- The Treasurer will ensure that the PIN is never disclosed.

#### **4. Groups' Finances**

- a. Interest groups are expected to be self-financing.
- b. DDu3a will support initial expenditure for all new groups by paying the cost for the first room hiring.
- c. Interest groups shall collect funds to meet the necessary costs to undertake their activities, e.g., fee for room hire. These funds belong to the u3a but may be held by the Group Coordinator.
- d. Assets purchased for groups, with approval by the trustees, remain the property of the u3a and available for other groups to also use.
- e. Surplus funds collected by Group Coordinators may be paid to the Treasurer.
- f. The Treasurer will hold surplus funds for each group in the u3a's bank account, maintain a register of receipts and payments, and present these records when required to Group Coordinators or the Executive Committee.
- g. With prior agreement, the Treasurer will issue a cheque, or make an online BACS payment, on behalf of any group to meet large single item invoices e.g., deposit for a coach. Deposits for such transactions must be paid to the Treasurer as soon as possible.
- h. Events such as theatre trips, visits or educational days out must cover costs, with all participants paying appropriately. The costs paid by members must cover out-of-pocket expenses, e.g., insufficient take up by members.
- i. Any discounts from events should be shared equally amongst the participants of that event.
- j. Where surplus funds have been accumulated, these may be used to offset costs of subsequent events e.g., coach hire for trips.

#### **5. Expenses Policy**

- a. Out of pocket expenses for small items, e.g., monthly meetings' tea and biscuits, will be reimbursed.
- b. The cost of printing u3a literature e.g. advertising, application and renewal forms, newsletters etc, can be claimed at a cost of 10p per side of A4 paper plus £1 per month for general printer wear-and-tear (July 2024).
- c. Expense claims, available from the Treasurer ([treasurer@dronfieldu3a.org.uk](mailto:treasurer@dronfieldu3a.org.uk)) must be submitted for all claims, with receipts, email confirmation of payments or similar.
- d. Expense claims will only be authorised by either the Treasurer or Executive Committee.
- e. Expense claims for travel and parking should reflect the cheapest option available. Car travel will be reimbursed at the current HMRC approved rate.
- f. Overnight accommodation will only be allowed in exceptional circumstances and will need the prior agreement of the Executive Committee.

## 6. Membership Fees and Membership of More Than One u3a

- a. The membership fee is reviewed on an annual basis. DDU3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.
- b. No discount is offered for those who are a member of another u3a.

## 7. Asset Register

- a. An asset register is maintained by the Treasurer and Asset Manager, containing details of each asset's initial purchase price, date of purchase, estimated nominal value and location.
- b. Assets will be depreciated in accordance with accountancy practice, and fully written off on completion.
- c. Details of the assets will be shown within the annual Balance Sheet

## 8. Reserves Policy

- a. The trustees shall carefully monitor any surplus funds and potential future spending to ensure maximum benefit for DDU3a members is maintained.
- b. DDU3a aims to keep a level of reserves that will cover 6 months of regular operating activity, or other figures advised by TAT.
- c. Funds held by the individual groups are excluded from this figure as these activities are entirely self-financing.

Document History		
Date	Version Number	Summary of Changes
24 Nov 2025	1.3	Policy reviewed by Executive Committee. No changes required. Date approved and next review date only updated.
20 Jan 2025	1.3	Reference to Policies page on DDU3a's website removed as no longer needed. Para 3.d.ii Payment limit without requiring approval increased from £150 to £250. Para 5.b Monthly payment for printer wear and tear increased from 50p to £1.
19 Aug 2024	1.2	Hyperlinks to DDU3a's old website removed throughout the document. References to DDU3A changed to DDU3a throughout the document. Paragraph 2.b.v Retention period increased from 6 to 7 years. Paragraph 2.b.viii added, making Treasurer responsible for annual reviews of cash, cheque and online banking limits and paragraph 3.c.v deleted (previous reference to annual review of cash limits) Paragraphs 3.c and 4.g Option to pay make payments by either cheque or BACS included. Paragraph 5.b (printing costs) added, subsequent paragraphs in section 5 re-numbered. Paragraph 5.c re-worded to clarify how to get expenses claim form.

Document History		
Date	Version Number	Summary of Changes
		Paragraph 7.a Reference to Secretary replaced with Asset Manager
February 2022	1.1	Banking: 3di removal of HSBC following change of bank and slight rewording to make bank references generic. 3dii Slight rewording of both sentences to incorporate online usage by multiple approved signatories. Reference to Business Secretary changed to Secretary.
July 2021	1.0	Initial version using suggested TAT layout, adapted for local circumstances