

1. Introduction

- 1.1. This policy is based on advice provided by the Third Age Trust (TAT). This advice can be viewed at the link below (member login required).

<https://www.u3a.org.uk/edocman-downloads/finance-matters-guidance/viewdocument/1715>

- 1.2. All Trustees must ensure that the u3a abides by its constitution, safeguards its assets and exercises effective control over all bank accounts.
- 1.3. All finance procedures must be legal and comply with HMRC, GDPR and charity law

2. Bank Accounts

- 2.1. Chester u3a operates four bank accounts with Lloyds Bank, Foregate St, Chester:-

- i) Current account (main current account for Receipts and Payments),
- ii) Group account (for Group subs, used to pay hall rental and other payments by Groups),
- iii) Social account (for all social activities – theatre trips etc),
- iv) Membership account (for receipt of electronic payments from members for subscriptions).

- 2.2. All accounts operate under a dual signatory basis, with two from a nominated pool of Trustees. The nominated Trustees are approved by the Committee and would normally be a minimum of four, including the Officers.

- 2.3. Groups are not allowed to maintain individual bank accounts. Cheques/cash collected by the Group Leader can be paid into the Groups Bank account. Paying-in slips are available on request from the u3a Treasurer. Any transactions that require payment by cheque or bank transfer must be undertaken by the u3a Treasurer.

3. Petty Cash and Expenses

- 3.1. Appendix 1 provides details on the procedures for payment of expenses and holding of petty cash.

4. Online Banking

- 4.1. Trustees approved by the Committee have access to the online banking. The security of the online system is in line with the arrangements offered by Lloyds Bank. Nominated Trustees can view all bank accounts and are provided with a card reader and personal access card.

- 4.2. 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 confirmed by the Committee. All payments are authorised by a second nominated trustee. Internal account transfers may be made by the Treasurer or other delegate with payment authorisation.

5. Bank Cards

- 5.1. The issue of any bank card in the name of Chester u3a must be approved by the Committee. It is recognised that the use of these cards overrides the dual control aspect of the payment authorisation process, but that on-line 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).
- 5.2. Chester u3a holds two business debit cards, one held by the Treasurer and one by the Social Secretary. These are held purely to facilitate online purchases where it is not practical to pay by cheque or bank transfer.
- 5.3. 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 appointed officers through the online banking service. All such payments must be supported by an invoice or receipt made out to Chester u3a.
- 5.4. Chester u3a does not hold any corporate credit cards as it is considered that the bank conditions and charges do not make this a worthwhile service.
- 5.5. Advice from the TAT is that u3as should not make payments using personal payment cards because of the lack of Trustee control in relation to authorising payments. It would also be problematic if a supplier were to go into administration as the debt would be a personal debt against the card holder rather than the u3a. However, the Committee of Chester u3a accepts that in certain circumstances the most practical payment method is for an on-line payment to be made by a member using a personal debit or credit card.
- 5.6. The Committee has agreed a maximum £100 limit on payments for purchases on behalf of Chester u3a made by a member without specific prior authorisation. Prior approval may be given by consideration by the Committee of an Equipment Request (Appendix 3). If approved, it may be appropriate for a member to purchase the equipment themselves and then claim the cost as a personal expense claim. However, all invoices must be issued in the name of Chester u3a.

6. Funding activities

- 6.1. Chester u3a operates a system of a membership subscription with additional payments for Group activities.
- 6.2. The membership subscription covers the following:
 - i) The central costs of operating the u3a including access to information on the detailed program (e.g. diary and/or newsletter giving particulars of the u3a's activities), printing and stationery.
 - ii) Costs of the monthly meetings (hall hire and speakers).

- iii) The annual membership subscription to the Trust (currently £4.00 per member).
- iv) The cost of the Trust magazines (u3a Matters – currently £3.50 per address).
- v) Licences and insurance provided by the TAT.
- vi) Purchase of equipment for use by Groups.
- vii) Discretionary start-up funds for new Groups.
- viii) The cost of funding (either totally or in part) one or more members' attendance at the Third Age Trust's Conference/AGM.

6.3. The membership subscription is decided annually by the Committee. The current annual fees (2025-26) are:

- i) Renewing member £12
- ii) New member £12
- iii) Associate member £8

6.4. Subscriptions are payable on 1 September annually. Members have three months to renew before their membership lapses and they must re-join as a new member.

6.5. Members are encouraged to pay their subscriptions by bank transfer or by Paypal. Cheques and cash will also be accepted.

6.6. A member of another u3a may join Chester u3a as an Associate Member at a reduced rate (from June 2025). There is no distinction between Members and Associate Members other than the latter will not receive u3a Matters and may not become members of the Chester u3a Committee.

6.7. Chester u3a is registered for Gift Aid, where members' subscriptions are treated as a donation and tax relief can be reclaimed from eligible members. New members are encouraged to complete a multiple Gift Aid declaration which is retained for all future subscriptions, unless the member advises the Membership Secretary that they are no longer eligible. In accordance with HMRC requirements, members are reminded annually of their personal responsibility to ensure that, if they pay insufficient tax to cover their total gift aid donations, they are responsible to pay any difference to HMRC. Members are advised annually in the financial report what is claimed as Gift Aid.

7. Group finances

7.1. All Groups are self-sufficient in funding. Group Leaders are responsible for collecting funds from the members of their Group to fund activities and for providing an annual financial report to the Treasurer for any Group where the annual income exceeds £100. (See Appendix 4 for the Procedures for Managing Group Accounts).

7.2. A member (in discussion with the Groups Co-ordinator) may apply to the Committee for start-up funds to help with the formation of a new Group and initial expenses.

- 7.3. Group Leaders may apply for funds to cover equipment for use by the Group. All such equipment remains the property of Chester u3a and may be used by other groups as appropriate. The equipment will be recorded on the Asset Register.
- 7.4. Where a Group meets in a hall, any contract with the hall must be approved by the Committee and signed by an officer of the Committee (a Trustee). The Group Leader will agree arrangements with the Group members to collect funds to pay the hall fees. This may be based on an annual membership subscription to cover the total cost of hall fees and refreshments for the year or may include a regular subscription to the Group based on attendance. The Group Leader will collect the due funds from the Group members and either pay the venue direct (obtaining a receipt) or deposit in the u3a Group Bank Account and pass invoices received from the hall to the Treasurer for payment.
- 7.5. Where Groups meet in private houses, the members may agree to cover the costs of refreshments where these are provided. Group Leaders or members may hold these funds as petty cash (Appendix 1).

8. Social activities

- 8.1. Social events such as theatre trips or visits must be charged at cost.
- 8.2. 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 between participants to the event.
- 8.3. Out-of-pocket expenses can be paid to an organiser from the money collected for the event. The organiser(s) must not get any pecuniary reward for organising an event.

9. Payments to speakers

- 9.1. In line with u3a policy, members of any u3a cannot be paid for speaking at a meeting but can be reimbursed travel expenses in line with the procedures detailed in Appendix 1.
- 9.2. Fees for external speakers at monthly meetings will be agreed in advance by the Speaker Secretary in line with the annual budget set for the Speaker Programme and will be reimbursed by bank transfer from the Current Account following submission of an invoice by the speaker after the event.
- 9.3. In line with charity law, a u3a cannot raise funds for another charity that does not have similar charitable objectives as it has no power in its constitution that allows it to do so. However, it is permissible to make a payment to a one-off donation to another charity arranged with a speaker, in lieu of a fee. In this circumstance, the speaker should be asked to provide a signed confirmation of their wish which will be held by the Treasurer.

10. Expenses

- 10.1. Costs that a trustee has necessarily incurred to carry out trustee duties can be refunded. Examples of legitimate expenses would be authorised travel on trustee business, postage costs, and stationery necessary for running a u3a. It is legitimate to reimburse, either wholly or in part, committee-approved attendance at the Trust's AGM and Conference or at appropriate workshops.

- 10.2. It is also acceptable on occasion to reimburse Group Leaders or members for expenditure, such as a mileage allowance for using their car on u3a business.
- 10.3. Expenses claims (Appendix 2) must be authorised by an officer, and no-one can authorise their own claim. Generally, claims for expenses must be supported by receipts.
- 10.4. Anybody who uses their car on u3a business must ensure that they have adequate insurance including occasional business use.

11. Reports and Accounts for the Financial Year End and the AGM

- 11.1. Chester u3a accounts are prepared on a 'receipt and payment basis'. They are subject to an independent examination by a qualified examiner appointed by the members at the AGM.
- 11.2. In accordance with fiscal requirements, all financial records are kept for a minimum of six years from the end of the fiscal year to which they relate.
- 11.3. The fiscal year runs from 1 September to 31 August. The AGM is usually held in November.
- 11.4. The examined accounts, which provide details of all monies received and paid out in the previous fiscal year and a statement giving details of any assets and any liabilities at the end of the year e.g. un-presented cheques, are presented to the members at the AGM.
- 11.5. Following the AGM, an annual report and trustee report is submitted to the Charity Commission in line with the requirements contained in their Receipts and Payments Account pack (CC16).
- 11.6. An Asset Register is kept by the Treasurer which records all assets held by Chester u3a, including their initial purchase price, data of purchase and estimated nominal value. 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.
- 11.7. Chester u3a aims to keep a level of reserves that will cover approximately six months of normal activity. This is considered by the Committee a reasonable level for this type of charity. Social account activities are excluded from reserves as these activities are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing.

Prepared by:

Dave Houghton (Treasurer Chester u3a)

7 March 2025

Appendix 1

Procedures for Petty Cash and Expenses

These procedures are based on “The Mutual Aid Principle” which is a key feature of the u3a movement.

- No payments are made to members for services rendered to any u3a.
- Each u3a is self-funded with membership subscriptions and costs kept as low as possible.
- Outside financial assistance should only be sought if it does not imperil the integrity of the u3a movement.

Expenses

- Costs that trustees and members have incurred to carry out their duties can be refunded.
- Claims must be made using the Expense Claim form (Appendix 2 and on the Chester u3a website) and be supported by receipts.
- All expenses must be authorised by an officer. No-one can authorise their own claim.
- Expenses above £100 must be authorised in advance.
- The committee can wholly or in part support Trustee attendance at the National AGM.
- Members may be reimbursed for use of their car on u3a business, provided that their insurance includes business use.

Equipment Request

Group Leaders may submit a request to the Committee for equipment to be purchased for use by their group. An Equipment Request form is available below (Appendix 3) and on the Chester u3a website. All such equipment purchased remains the property of Chester u3a and may be used by any group as appropriate.

Procedure

All claims must be made to the Treasurer on the Chester u3a Member’s Expenses form (Appendix 2) with accompanying receipts.

All claims must be authorised by an officer - no-one must authorise their own claim.

Applicable rates are as follows (to be reviewed annually):

- i. Mileage allowance 45p/mile.
- ii. Train travel – second class fare, using advance fares where possible.
- iii. Home Printing – B/W 10p/one side, colour 25p/one side.
- iv. Other reasonable expenses to be claimed at cost.

The Treasurer will reimburse the claimant, keep all receipts, and record the payment in accounts.

Handling of cash

Cash should be held by the Group Leader (or a designated member of a group) only as a temporary means of matching funds received from group members with expenditure due to be made in the

near future. Typically, this will be money collected by Group Leaders from members to meet the hall rental costs. These funds should either be paid direct to the hall by the Group Leader at the earliest opportunity or be paid into the Groups Account for payment by the Treasurer when the invoice has been received from the hall.

Small amounts of petty cash may be held by the Group Leader (or a designated member of the group) e.g. to cover the costs of refreshments and consumable items. These funds must not exceed £300 (the insured value for cash holdings) and any surplus must be deposited into the Groups Account. Group Leaders are responsible for ensuring such funds are held securely.

Cash subscriptions received by the Membership Secretary may be held up to a maximum of £300.

Appendix 2 Chester u3a Expense Claim

Name			
Brief reason for claim			
Signature		Date	

Please itemize claim under the headings below and provide receipts

Cost Code	Description	Amount (£)
Equipment		
Postage		
Printing *		
Refreshments		
Stationery		
Travel *		
Other (please specify)		

* See Chester u3a Financial Guidelines on the Chester u3a website for current rates

TOTAL CLAIM	
--------------------	--

Payment will be made by bank transfer. Please give details below:

Account name			
Sort Code	-	-	Account number

**Return completed form to the Chester u3a Treasurer
(Treasurer@chesteru3a.org.uk)**

For use by Treasurer

Appendix 3
Chester u3a Equipment Request

Name of Group(s) _____

Group Leader /member responsible _____

Date _____

Email _____

REQUEST

Item/Supplier	Cost
	£
Reason for purchase	
Benefit to Chester u3a	
Proposed Storage location	

Signature _____

Return completed form to the Chester u3a Business Secretary
(BusinessSec@Chesteru3a.org.uk)

ACTION BY COMMITTEE

The committee has **approved / not approved** the request.

Chair _____

Date _____

Appendix 4

Procedures for Managing Group Accounts

Group financial accounts must be submitted annually to the Chester u3a Treasurer for all Groups whose annual income exceeds £100. This figure includes all funds collected from members to cover (for example) rental for hall, hire of sports facilities or equipment, or speaker expenses. This includes Groups who collect money from members to pay hall rental direct to the venue. However, Groups who meet in a member's home who collect petty cash to cover refreshments are excluded from this requirement.

Groups are not allowed to maintain individual bank accounts. Cheques/cash collected by the Group Leader can be paid into the Groups Bank account. Paying-in slips are available on request from the u3a Treasurer. Any transactions that require payment by cheque or bank transfer must be undertaken by the u3a Treasurer.

Small amounts of petty cash may be held by the Group Leader (or a designated member of the Group) e.g. to cover the costs of refreshments and consumable items. These funds must not exceed £300 (the insured value for cash holdings) and any surplus must be deposited into the Groups Account. Group Leaders are responsible for ensuring such funds are held securely.

Group accounts must be submitted to the Treasurer in September to cover the reporting period 1 September to 31 August in line with the reporting for the Chester u3a accounts. A spreadsheet can be downloaded from the Chester u3a website for maintaining records and submitting accounts. An equivalent format can be used provided it contains the following information:

- 1) Group name
- 2) Group Leader
- 3) Dates for the period the accounts cover
- 4) Opening balance
 - a. Held by the Group Leader
 - b. Held in the Groups Bank Account
- 5) Details of all income:
 - a. Amounts paid into the Groups Bank Account
 - b. Amounts held by the Group Leader
- 6) Details of expenditure
 - a. Amounts paid on behalf of the Group by the Treasurer from the Groups Bank Account
 - b. Amounts paid by the Group Leader
- 7) Closing balance
 - a. Held by the Group Leader
 - b. Held in the Groups Bank Account

For help or advice please contact the [Chester u3a Treasurer](#).