

Fife u3a Finance, Reserves and Risk

1. Introduction

1.1. Purpose

Fife u3a is a charity registered with the Office of the Scottish Charities Regulator (OSCR): SC036555.

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

There are other risks which must also be considered:

Where applicable "Trustees" includes Board of Trustees/Board of Directors or members of the Executive Committee.

1.2. Related documentation

- This is policy based on the Third Age Trust template dated 3 April 2019.
- Third Age Trust document U3A-KMS-DOC-033 Financial matters.
- The Constitution of Fife u3a which was adopted on 10 May 2018.
- Third Age Trust document "Risk management guidance" reviewed October 2024

2. Trustees Risk Assessments

The Trustees identify risks in the different areas of our operations

- **Governance risk:** the trustees should have the right skills for the role and good understanding of trustee responsibility.
- **Financial risk:** the impact on our ability to achieve our financial obligations. These risks include the risk of fraud through transferring physical cash to a bank account, or theft.
- **External risk:** This includes the reputation of our u3a, and any threat to the name or standing of our u3a (and the wider movement's reputation). Changes to government policy may also impact our u3a's ability to operate successfully.
- **Operational risk:** This is a threat to our u3a caused by a breakdown in internal procedures. This risk may come from the committee not having the policies and procedures in place to run the u3a effectively.
- **Regulatory and compliance risk:** This refers to the risk of failing to comply with legislation.

The Trustees have a confidential Risk Register and will keep it under regular review.

3. Trustees' financial responsibilities

The trustees of Fife 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).
- 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 reviewed at least annually and revised as necessary.

4. Banking

4.1. Bank accounts

- All bank accounts are in the name of Fife 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 Chairman, Vice Chairman, Secretary and Treasurer and any other trustee approved and minuted by the trustees.
- All cheques or payments must be signed or approved by two signatories.
- The signatories are responsible for examining the cheque or payment authority for accuracy and completeness.
- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an online payment.
- Our preference is to pay only on receipt of an invoice or equivalent document.
- Cheques to specific payees but without an amount will only be issued in exceptional circumstances and may be pre-signed by one signatory, only with the full understanding of that first signatory. Any such cheques must be receipted.
- All bank statements must be sent to the Treasurer directly.
- Whenever practical two people should be involved in counting cash receipts.

4.2. Online banking

Operation of any 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.

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 online system is in line with the arrangements offered by the Bank and in accordance with the mandated approval limits. Fife u3a has only view access to online statements. If this changes, the policy will be reviewed.

4.3. Payment by bank cards.

The issue of any bank debit or credit card in the name of Fife 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). The committee will predetermine the spending limits for any card: the limit may be per transaction, per day or per month.

Fife u3a holds no business debit/credit cards. If they are held, this policy will be reviewed.

4.4. 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 Fife u3a 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.

Otherwise, all invoices and /receipts must be issued in the name of Fife u3a.

5. Groups' finances

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 ring-fenced funds held by the u3a on their behalf, as appropriate. The Treasurer, Groups Co-ordinator and 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 if required.

5.1. Receipts

To manage the handover of cash and cheques to be paid into the Fife u3a bank account and recognising any travel restrictions, geographic spread of Fife u3a and lack of bank branches, the committee has decided that:

- Normally cash would be handed to the treasurer
- Bank paying in slips may be given to group leaders to pay into bank account.
- 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, this needs to be fully demonstrated to the Treasurer.
- Cash held back for cash flow purposes will be within the u3a's approved limits (they will vary by activity).

In order to receive payments from credit and debit cards, Fife u3a has an account with SumUp which is used to reduce cash handing and cheque receipts.

5.2. 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 or paid directly by the members to the trip organiser.
- When payments may be deducted from activity revenue:
 - Venues
 - Coaches

- Tutors
- Speakers
- Other
- When payment for venues, coaches, tutors, 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 unless the speaker requests another form of payment (for example, cash or bank transfer) which should be arranged with the Treasurer.

Where the committee has agreed the use of a paid tutor, they must provide evidence of their self-employed status and invoice the u3a as agreed.

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.

5.3. 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.

5.4. Payments to other charities

In line with charity law, a U3A cannot raise funds for another charity that does not have similar charitable objectives. Fife 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 unless signed instruction is received from the speaker.

6. 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. Expense claims will be authorised by two members of the executive committee, normally including at least one of Chairman or Treasurer and no committee member should 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 from the Treasurer) giving sufficient detail as to the nature of the expense.

Expense claims should reflect the cheapest travel option available. Travel by car, motorbike or bicycle will be reimbursed at the current HMRC approved rate (for annual motoring over 10,000miles) * for the actual mileage travelled. Car parking and congestion charges can be reclaimed (with receipts) but parking or other fines will not be allowed. [*2024/5 rates: car/motorbike/bicycle – 25p/24p/20p]. Printing of documents for members is reimbursed at a rate of £0.15 per sheet.

Fife u3a

Finance, Reserves and Risk Policy

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

7. Membership Fees

The membership fee is reviewed on an annual basis. Fife u3a is committed to keeping the membership subscription as low as possible to ensure that the u3a remains accessible to all members.

We do not give a discount for membership of other U3As.

8. Asset register

An asset register is maintained by the Treasurer which records all assets bought for more than £500. The register shows their initial purchase price, date of purchase, estimated nominal value and location. We do not have any assets of this 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.

9. Reserves

Fife u3a aims to keep a level of reserves that will cover six months of regular operating activity including all monies due to the Third Age Trust for the current financial year. This is considered by the committee a reasonable level for this type of charity.

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

10. Approval

Date approved	V2 Revised and renamed and Risk policy included 22 January 2025. V2.1 Minor revisions in text approved 30 January 2026)
Approved by	Fife u3a Committee
Review date/event	Annual review Any change in our constitution. Adoption of the Beacon 2 system for financial transactions. Any change in banking or payment arrangements.