



FINANCE POLICY

L&Du3a FP document: 1.0

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Reference: Third Age Trust Finance Policy Template dated 04/2025

Purpose

Each u3a is required to set down its own financial policies and procedures, based upon a guidance template provided by the u3a Third Age Trust. The policy is required to be kept under review (at least every 3 years) and revised as necessary. A copy of this document will be given to all Trustees on their election/appointment to the Executive Committee. The Trustees are accountable to the Membership for any non-compliance with this policy.

Trustees' Financial Responsibilities

Trustees

The Trustees of Lyndhurst & District u3a are financially accountable for:

- Safeguarding the assets of the charity.
- Identifying and managing the financial 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 (eg Constitution) and relevant legislation (e.g. Charities Acts, Companies Acts etc).
- Ensuring Annual Accounts are prepared in accordance with the governing document and relevant legislation and reflect a clear view of the state of affairs of the u3a.
- Authorising and minuting of expenditure, other than routine predictable invoices for monthly meeting room hire and periodic Third Age Trust fees.
- Authorising and minuting an individual and annual budgetary ceiling for payment of speakers booked for monthly meetings.

The Treasurer

The Treasurer's role includes:

- Maintaining the financial records in accordance with the u3a's published financial policies
- Maintaining the financial records in accordance with the applicable charity law and statute
- Managing the bank accounts in accordance with the financial policies
- Preparation of accounts and budgets
- Preparation and submission of annual Gift Aid claims
- Preparation of the annual accounts for the AGM, publication and filing
- If required, maintain an Asset Register



Banking

Bank Mandate

Four Trustees are authorised to sign cheques on Lyndhurst & District's u3a Account: Treasurer, Assistant Treasurer, Vice Chair, one other Trustee.

Bank Accounts

- The sole bank account is with Lloyds Bank is in the name of Lyndhurst & District u3a and operated by the Treasurer and Assistant Treasurer on behalf of trustees.
- Any additional 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.
- All outgoing payments must be approved by at least two signatories (one normally being the Treasurer or Assistant Treasurer).
- The signatories are responsible for examining the payment request for accuracy and completeness and for examining supportive documentation (purchase invoice etc.) prior to approval (signing the cheque or authorising an internet transfer).
- All bank statements must be available for the Treasurer.
- Blank cheques will never be issued.
- Whenever practical two people should be involved in counting cash receipts.

Online Banking

The Treasurer and Assistant Treasurer have full online banking rights and are the only trustees authorised to access the account online. Payments into the account can be made by either, but outgoing payments require their dual authorisation. The security of the online system complies with the arrangements offered by Lloyds Bank and in accordance with mandated approval limits. Access to the online account is via a card reader and personal access card, or by signing in with a personal password and access code.

Outgoing Payment by Bank Cards

Lyndhurst & District u3a does not hold any business debit/credit cards.

Card Readers

Lyndhurst & District u3a possesses a SumUp card reader to take income payments by bank card at events. It is registered in the name of the Treasurer and is configured to pay directly into the u3a bank account.



Accounts Management

Interest Groups

Interest groups are entirely 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. Group leaders should maintain transparency and minimise the value of cash floats.

The Executive Committee should agree or otherwise to the use of any paid tutors or speakers for Groups. If approved the proposed tutor or speaker must provide evidence of their self-employed status (if applicable), state their fees and any travel costs at the time of booking, and invoice appropriately after the activity. Where a paid tutor is hired for activity classes they need to provide evidence of holding Public Liability Insurance.

Social Activities & Holidays

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.

If holidays are booked through a travel operator, individual members should pay the provider directly. Some holiday operators will reimburse the u3a with 10% of the cost of the holiday if requested at time of booking. Such schemes may provide a valuable boost to u3a Reserves.

Statutory Reporting

Lyndhurst & District u3a is not registered with the Charity Commission but is registered with HMRC as a charity for tax purposes (charity reference number ZD37797). The Treasurer and Assistant Treasurer are recorded as the charity's authorised principal officials, with Treasurer's home as its business address. Other officials are recorded as Chair, Vice Chair & Secretary.

For tax purposes, Lyndhurst & District u3a is also a charitable Company. All charities are required to file a corporation tax return when requested by HMRC.

General Reporting

The Treasurer operates a non-acruals Receipts and Payments method of accounting and will submit accounts to the Committee at monthly u3a meetings.

All financial records and receipts shall be kept for a minimum of six years. This includes Gift Aid declaration data.

Reserves Policy

Lyndhurst & District u3a aims to ideally maintain a Reserve equivalent to 6 months regular operating activity. Nevertheless, the committee has the flexibility to accept a prudent reduction in actual Reserves dependent upon prevailing circumstances in the operating cycle.

Membership Fees and Membership of another u3a

The membership year runs from 1 April to 31 March. Basic subscriptions are paid for membership that covers monthly meetings, free subscription to the digital Third Age Matters magazine, annual capitation fee to the u3a Third Age Trust and provision of u3a Spotlight website facility. Only the basic membership subscription is eligible for Gift Aid.

Members may choose to pay an additional annual subscription for a published version of the Third Age Matters magazine. The magazine is free and the annual subscription covers cost of postage of 5 editions by Third Age Trust Ltd.

Lyndhurst & District u3a is committed to keeping the basic membership subscription as low as possible to ensure that the u3a remains accessible to all members. Their level is reviewed on an annual basis in time for announcement prior to the receipt of subscriptions from March onwards, and are proposed for endorsement at the April AGM

Those who provide evidence of membership of another u3a are Associate Members of L&D u3a and have their basic membership subscription reduced by the annual Capitation fee paid by the other u3a to the Third Age Trust.

Other Points

Payments to Other Charities

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

Lyndhurst & District u3a can 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.

Expenses Policy



Out of pocket expenses will not be paid to volunteers who are involved with running the u3a.

Asset Register

Where necessary, the Treasurer will maintain an Asset Register to record all assets held including their initial purchase price, date of purchase, estimated nominal value and location. The register will be reviewed annually, and assets written off in their first year under the Receipts and Payments system of accounting.

Gift Aid

Lyndhurst & District u3a is registered with HMRC as a charity for tax purposes and is therefore eligible to claim Gift Aid for basic subscriptions paid by members who are UK taxpayers. The Treasurer is responsible for submitting compliant annual claims for those members who provide the necessary consent.

Investments

Lyndhurst & District u3a is a relatively small u3a with reserves too small to warrant the seeking of investment returns. Its prime consideration is merely holding money on behalf of its members with security of funds taking precedence over returns on investment.

Should this situation change:

- Consideration will be given to investment of reserve funds with main banks or building societies and the Charities Official Investment Fund (COIF). These are chosen as they have the funds to withstand economic pressures. The Banks and Building Societies should offer cover by the FSCS guarantee (limited to £85,000 per institution). The COIF is not covered by the FSCS guarantee but has the strength of working primarily in the charitable sector and offers no risk cash-based accounts.
- No investments will be made into stocks, shares, gilts, or bonds as the risk level would be too high.
- All individual investments must be approved by the Committee.
- The investments should be reviewed annually by the Committee, as part of the fee setting process to take account of changing economic conditions.

END.