

## Ivybridge U3A

### Management of Group Activity Finances

As a result of the Charity Commission and Third Age Trust's requirements, the Ivybridge U3A committee has reviewed the procedures relating to the handling of money.

**These rules have been drawn up to protect the Ivybridge U3A members, the Group Leaders and the Trustees (The Committee).**

**The Trustees are totally liable for any financial mismanagement if they are aware that it is happening, and it is their duty to ensure that money is managed as the Charity Commission and the Third Age Trust direct. All of the Ivybridge U3A's financial management must be open and transparent, and these rules for managing our finances must be followed.**

The Charity Commission requires that if the annual amount of money passing through the account is greater than £25,000 then the Treasurer must submit invoices and receipts to the Charity Commission for inspection. This sum includes the money in the Current Account and the Activities Account. As this would require a great deal of extra work for the Treasurer, however, the Charity Commission will accept that certain activities that it deems to be of a "Social" nature, need not be included in the annual total. These activities are such things as Theatre Outings, Lunches, Rail Journeys, Excursions and Holidays.

As a result of this ruling Ivybridge U3A has decided it will operate a Social Account as well as a Current (Main) an Activities Account and also a Deposit Account where any excess money not required on a "day-to-day" basis can kept to earn us some interest.

**The Current Account** will be used for depositing money from Membership Fees, Grants, Gift Aid and Sponsorships. It will pay the Capitation Fees to the Third Age Trust, for the Newsletter and insurance, rental for the hall and speakers fees for the General Meeting, and other such items related to the running of our U3A.

**The Activities Account** will be used by the Treasurer to deposit money that is related to an educational group's activity when the total amount collected for that activity exceeds £50. The Treasurer will then pay any invoices related to that activity. (See also note 6 below.)

**The Social Account** is used for collecting and paying out money for social activities such as Theatre, Lunches, Rail Journeys, excursions and holidays. (see above)

**The Deposit Account** will hold money due to be paid to the U3A TRUST as a capitation fee, plus any money not required on a Day to Day basis.

### Group Activities

It is essential to remember that group self-sufficiency must not be interpreted as implying that funds belong to a group: all funds belong to the U3A.

**Note: This is a direct quotation from Financial Matters (Third Age Trust, 19 April 2018)**

- 1. Group leaders are required to keep the monies of the U3A activity for which they are responsible separate from their own personal money, and on no account should they use their own personal bank account.**
2. A Group Leader may collect money from Group members to cover reasonable expenses, which the Group Leader has incurred relating to a meeting.
3. These expenses may cover:-
  - (a) The cost for petrol at 45p per mile if a prior visit for an activity has been necessary, and any parking fees incurred.
  - (b) Telephone calls related to the activity.
  - (c) Photocopying and /or printing of handouts.
  - (d) Stationary and postage if used.
  - (e) Teas and coffees if "at home".
4. The members of the group must be informed what the money requested for a meeting is covering, particularly in relation to the Group Leaders expenses.
5. The Group Leader must keep a record of their expenses so that any member of the group, or an auditor, can review them.

6. The Group Leader must submit to the Treasurer a regular report of monies, collected, monies disbursed and funds in hand in order to comply with the requirements of the Charity Commissioners and the Trust's insurers. Please note that new regulations require that all financial turn-over is included in the Annual Accounts so accurate record keeping is of paramount importance.

7. When groups meet in private houses, payments made to the host for refreshments which exceed 50p must be included in the financial records. Purchases of drinks from a venue in lieu of a room hire charge may be considered a private transaction between a member and the venue owner and not included in turnover figures. Similarly, payments made to a tutor directly by a member (and not through the Group Leader) may be considered to be a private transaction and need not be recorded.

8. A Group Leader may not normally collect in cash a total amount for a group activity greater than £50, unless it is to be **disbursed within the next 24 hours (e.g. To be used to pay for room hire, tickets etc.). Any money over £50 must be passed to the treasurer for depositing into the Activities Account as soon as possible. The Treasurer will credit that money to that Group** so it is not transferred between Groups within the account. However, it is recognised that some groups have special requirements for longer term fund retention and in this case the Treasurer should be informed of those requirements.

9. For any educational activity costing more than £50 in total the individual members are required to pay by cheque made payable to "IVBRIDGE U3A ACTIVITIES". These cheques must be forwarded to the Treasurer within 5 working days after collection, accompanied by a list of the member's names. On no account may cheques be deposited into the private bank account of the Group Leader. The Treasurer will then pay any invoices arising for that Activity, provided sufficient funds are there to do so.

10. When sums greater than £50 are collected then receipts for the Group Leader's expenses must be made available for the Treasurer to review. The expenses collected must equal the reasonable expenses claimed.

11. Any surplus money collected from group members towards Group Leaders expenses, must be carried forward to the next activity, and used to cover future expenses, and the group informed accordingly.

12. Any Group, which requires hired accommodation and needs to pay by cheque, must give the Treasurer the invoice and the money to cover that hire charge, which he will then pay.

(Revised 28 June 2018)