

Knole u3a	Charity Number: 116210
Adopted: March 2025	Review Date: March 2026

1 Purpose

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

2 Trustees’ financial responsibilities

The trustees of Knole 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, Companies Acts etc).
- 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 once a year and revised as necessary.

2 Procurement

The Procurement Policy is the result of individual policies handed down by the executive committee

If a budget has been approved by the executive committee and a group set up to carry out that particular activity, those in the Group may procure goods or services up to a value of £1000. If they wish to go beyond that they must ask a sub committee of the executive committee (Chairman, Vice Chairman and Treasurer) and if it is more than £1000 they must get full executive committee approval.

A Group Contact may be allowed to keep a float with the amount set by the executive committee. If the float has been provided by Knole u3a the Group Contact must inform the treasurer every six months what the current level of the float is and explain in writing the movement in sufficient detail so executive committee members can see how funds are being managed.

For main purchases by Knole u3a the following procurement rules will apply.

Amount	Amount that can be spent in Financial Year before referring to the executive committee	Requirement for Procurement
Up to £50	£1000	Small purchases approved by the Chairman
Up to £50	£750	Small purchases approved by the Treasurer
£50 to £250	£2000	The Treasurer and Chairman can jointly authorise day to day expenditure
£250 to £1000	£2000	Delegated person to get three informal quotes by telephone if necessary
£1000 to £3000	£3000	Delegated person to three formal quotes in writing
Above £3000	N/A	Executive committee to review quotes and discuss written proposal with their decision formally minuted

For all purchases of goods or services documentation such as invoices must be produced if it is for more than £75. Where it is less, the executive committee may give permission to not provide full documentation if to do so would be onerous. (e.g. milk and sugar for teas etc.) for those such items a reasonableness test will be applied by the authorising members and if not satisfied ask for further information. Any permission given not to produce full documentation can be rescinded at any time by the executive committee.

3 Banking

3.1 Bank accounts

- All bank accounts are in the name of Knole u3a and operated by the trustees/executive committee.
- New accounts may only be opened by a decision of the executive committee, which must be minuted.
- Changes to the bank mandate and the persons and powers of those who authorise payments may only be made by a decision of the executive committee, which must be minuted. The current authorised signatories Chairman, Vice Chairman, Treasurer and Membership Secretary.
- All cheques must be signed by two signatories.
- The signatories are responsible for examining the cheques for accuracy and completeness.

- The signatories are responsible for examining the payment documentation (purchase invoice etc.) prior to signing the cheque or authorising an internet transfer.
- All bank statements must be sent to the Treasurer directly.
- Blank cheques will never be issued.
- Blank cheques will never be signed by one signatory for a second to complete later.
- Whenever practical two people should be involved in counting cash receipts.

3.2 Online banking

Where online operation of the bank accounts is in place only those approved by the executive committee will have access to this facility. The security of the online system is in line with the arrangements offered by Lloyds Bank and in accordance with the mandated approval limits. Online payments can only be authorised by two of those authorised to sign cheques.

3.2.1 Procedure for Authorising Online Payments

Before paying an invoice it must be passed by a member who has first hand knowledge that the service or goods have been supplied satisfactorily. This can be done by signing the invoice or sending the Treasurer an email specifically saying it is passed for payment. This email will be attached to the invoice as a record of approval

A payment can be raised by any authorised signatory, but usually the Treasurer. The person raising the payment must be clear that it is for a legitimate purpose of Knole U3A. That person will start the payment procedure on the Lloyds Bank system and usually be the first authoriser as well. If however, the payment is to themselves, a close friend or relative they must not be an authoriser of that payment. They will then “WhatsApp” the other authorised signatories and ask them to be the second authoriser or where they need two other authorisers make that clear. Where the payment is for more than £100 the initiator will email any paper documentation to all the authorisers. If it is for less than £100, they will usually just explain this in the “WhatsApp”. Those asked to authorise can ask for further information if in their sole discretion they think it necessary.

3.3 Personal debit or credit cards

The use of personal debit or credit cards for interest group activities will 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 Knole 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.

4 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 Knole 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 ringfenced funds held by the Knole u3a on their behalf, as appropriate. The Treasurer, Group Co-ordinator and Group Contacts(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.

When a group's funds are processed through a member's private bank account, it should be noted that the funds do not legally belong to the u3a. If the member were to pass away, the funds would form part of their estate & be inaccessible by the members or trustees. Similarly, if a group suffers a deficit via a member's personal bank account, this cannot be guaranteed from u3a funds.

4.1 Receipts

To manage the handover of cash and cheques to be paid into the Knole u3a bank account the committee has decided that:

- Bank paying in slips will not be given to group leaders for this purpose but they must keep sufficient records to show who has given them the money.
- 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 with documentation showing receipt and where they came from by main categories of expenditure and expenditure by main category of expenditure.
- Cash held back for cash flow purposes will be within the u3a's limits as approved by the executive committee.

4.2 Payments within Groups and

The executive committee will inform relevant group leaders as to the approved process for payments relating to:

- When a trip is organised by and paid through Knole 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.

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

The executive 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.

4.3 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.

4.4 Payments to other charities

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

5 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 unless given permission not to do so for small amounts. Expense claims will be authorised by the executive committee and no executive committee member should authorise their own claim. Expenses will include – with executive committee approval – attendance at the Trust's AGM and Conference or national/regional workshops.

Expense claims should reflect the cheapest travel option available. Travel by car will be reimbursed at the current HMRC approved rate for the actual mileage travelled. Car parking and congestion charges can be reclaimed (with receipts) but parking or other fines will not be allowed.

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

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

7 Asset register

An asset register is maintained by the Treasurer which records all assets held including their initial purchase price, date of purchase, estimated nominal value and location.

The register is reviewed annually. Only assets of more than £100 will be listed with value and depreciated at 20% per annum but others valued at below £100 may be written off as expenses in the year of purchase but still listed at nil value if the executive committee want to keep track of their whereabouts.

8 Reserves

Knole u3a aims to keep a level of reserves that will cover 18 months of regular operating activity. 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 are inflated by high-cost activities such as theatre visits and days out and are entirely self-financing.

9 Audit

It is the executive committee's responsibility to appoint an independent examiner, preferably for three years at a time. This should be a person who has sufficient experience of finance to be able to check that the assets exist and that the bookkeeping has been done in an orderly and proper manner. They should produce a report each year preferably within six months of the year end and send it directly to the trustees.