

## **Flintshire U3A Financial Advice to Activity Groups**

1. All groups need to be financially self-sufficient and self-supporting. Groups cannot be subsidised by monies held by the Trustees in the FU3A General Account. Most accounting is about money coming in, and money going out and a system for ensuring cash is kept securely.
2. By law financial records and any paperwork need to be kept for a minimum of 6 years from the end of the financial year to which they relate. i.e. current year plus the previous 6 years.
3. Whether you are using a computerised spreadsheet, or a simple paper-based book system, you will need to keep track of the money.

Keep up-to-date records as well as an audit trail for all transactions and prompt payment of all liabilities.

4. Accumulation of Group Monies Ensure that the group do not accumulate excessive amounts of cash. Ensure that the group is self-sufficient by setting the tariff at a realistic level. Groups that need to accumulate monies to pay rent for venues, and any other expenses need to report this on their financial transactions on a quarterly basis to the FU3A Treasurer.

If you have made an unexpected profit, you may wish to put it aside as a reserve to protect yourself against potential cash-flow problems or use the money to strengthen your current operations or programs.

It is recommended that the Group Leader sets a charge per person wherever possible to even out the costs to the members attending. A set charge is preferable to a fluctuating charge dependent on the number of people attending per session.

If it becomes apparent that the charge for attendance at Group meetings is set is too high so that an excessive amount of cash is being accumulated, then in this scenario it is recommended that the fee be reduced for an appropriate number of meetings, or that a "free" group meeting be given in order to reduce the cash balance to a level that is a more realistic amount as appropriate to the Group`s circumstances.

5. Ensuring safe custody of money. Guidelines have been put in place by the FU3A Committee regarding the Petty Cash limit held by individual Groups and is currently set at £250. Should this need to be exceeded for a lengthy period of time, monies should be handed over to the FU3A Treasurer for safekeeping. Ensure that you have a receipt from the FU3A Treasurer if handing over any cash. This receipt should be kept for your Group Records as it is important to protect the Trustees and Group Leaders.

If the Hon FU3A Treasurer is holding monies for your group, ensure that you get an annual up to date statement showing any transactions that have taken place, and the current balance being held on the Group`s behalf.

**6. Protection of Group and its Members** You will need policies and procedures to protect the group and its members. These will include controls on expenditure, such as who can authorise spending, upper limits before approval is needed.

If the Group Leaders are handling cash on behalf of the group, it is recommended that they have some support so that another group member is aware of the group`s financial situation at all times.

Group Leaders/ Group Treasurers may need to incur costs specifically for Group activities. This is at the Group members` discretion and prior agreement, and this arrangement generally works very harmoniously and effectively. However, Group Leaders/ Group Treasurers do not have the mandate to spend Group monies without prior agreement of the majority of the members of the Group. Monies collected from within the Group, belong to the Group as a whole and not to the individual handing the funds and need to be used for the benefit of all members of the Group.

**7. Payment of Group Leaders Expenses.** It is acceptable to reimburse Group Leaders or another appointed person for all legitimate and previously agreed expenditure incurred during the course of carrying out duties on behalf of their group. As a general rule claims for expenses should be supported by receipts.

**8. Review procedures and financial reporting Receipts.** It is important that when Group Leaders or existing Group Treasurers relinquish their post, both the old treasurer and new treasurer need to sign at the handover, and an acknowledgement or receipt for the actual cash balance. They also need to agree the balance and ensure that the transactions are recorded and are up to date. This gives protection to the old and the new Group Treasurer.

When paying rent in cash directly to the venue, ensure that a receipt is supplied and kept for the Group`s records.

**9. Additional Funding Request.** There is a set procedure in place for requesting additional funding for specific items. Monies have been provided to Groups in the past, to enable the Groups to enhance and expand their activities. The monies will be for specific items. Groups can apply formally in writing to the FU3A Committee for funding via Chairperson and/or Secretary. If approved, an appropriate receipt for the said item must be supplied before reimbursement is made.

Application should include:-

- Name of Group

- name the item that requires funding,
- the cost of the item,
- Summary of the benefits it would give to the Group concerned.

In circumstances where this procedure has not been followed, funding for items bought on behalf of the Group will only be approved and reimbursed retrospectively in exceptional circumstances at the discretion of the FU3A committee.

Items considered to be consumables for use will not be funded from the FU3A General Fund e.g. materials for use by the Group in their chosen activity. These need to be funded by individuals attending the Group, or from a collection within the Group.

**10. FU3A Property** Equipment funded by the FU3A committee, although allocated to a Group for their use, the items remain to be the property of FU3A and will be entered on the Central Inventory of equipment held by groups. Labels are available from the Equipment Officer. Groups are asked periodically to confirm the status of items bought so that any items that are no longer in working order can be officially written off at FU3A Committee. Items on the Central Inventory cannot be disposed of at will, without prior notification and formal approval of the FU3A Committee

**11. Start Up Grants**. For a new Group being set up, a small start-up grant is available e.g. initial few months' rent could be paid until the new Group has sufficient numbers to be self-sufficient.

**12. Groups co-operation**. While co-operation between groups is desirable and commendable in certain circumstances, it has to be remembered that group monies should only be used for the benefit of the group concerned and cannot be directed in any way to subsidise the activities of another Group. Nor should Group funds be used to subsidise any central FU3A activities.

**13. Discontinuation of Groups**. In the event of a group becoming unviable for any reason, all the group's financial liabilities should be taken into account and settled. The remaining balance in the group funds can either be reimbursed to existing group members wherever possible or passed over to the FU3A Treasurer, whichever is the most appropriate in the given circumstances. Providing that the Group has exercised tight financial controls, and been run on the principle of being self-sufficient and maintaining a realistic balance throughout, then the amount concerned should be minimal.

**14. Group Outings** – where transport/venues need to be booked - to be channelled through the "Away Day" Group Leader. Exceptions are if own transport is used and if the venue is being paid directly by attendees.

**15. Group visits using car sharing.** Present rate of reimbursement on FU3A official business is 20p per mile using TAT national guidelines. Some groups make visits to sites of interest that require transport. If this is the case car sharing is encouraged. Passengers could make a donation to the costs of fuel plus parking, tolls etc. The 20p per mile rate could be applied and be shared between the numbers of passengers or the total costs split between the occupants of the car, including the driver, or a fixed scale depending on the distance travelled.

**16. Paid Speakers.** There is no problem with U3A`s paying fees to external speakers but it is not acceptable within the U3A movement to pay a fee to any U3A member to give a talk. However, it is permissible and acceptable to pay legitimate expenses and costs incurred by the speaker.

**17. Payment to Other Charities.** A one off donation to another charity arranged with a speaker, in lieu of a fee, does not contravene any rules on payments to other charities. Payment for services e.g. hall hire can also be made to other charities.