

Financial Matters for Group Co-Ordinators

1 Introduction

1.1 u3a Organisation

Founded in 1982, u3a is a United Kingdom (UK)-wide movement of locally-run interest groups that provide a wide range of opportunities to come together to learn for fun.

Waterlooville u3a (Wu3a) was founded in 2006 and its key aims are to:

- Enable older people no longer in full-time paid employment to help each other to share their knowledge, skills, interests and experience;
- Enable people to experience the pleasure of learning and socialising throughout life;
- Celebrate the capabilities and potential of retired people and their value to society.

1.2 Wu3a Obligations

Wu3a, as a Charity is subject to Charity Commission and His Majesty's Revenue and Customs (HMRC) regulations / laws. Wu3a also has to conform to the practices approved by the u3a national body.

This document sets out how Wu3a expects its Group Coordinators (GCs) to deal with the financial aspects of their role. Although primarily addressed to GCs, matters discussed, are of relevance to any Wu3a members who handle money.

1.3 Group Co-Ordinators

Wu3a recommend that this document is read in connection with the Group Coordinators' Handbook which deals with all aspects of Wu3a Interest Groups apart from financial matters.

The Trustees of Wu3a entrust GCs and members to take reasonable care to adhere to these to the spirit and letter of this document ensuring Wu3a's overall compliance.

There are two Treasurers who deal with financial matters :

- The **Groups Treasurer (GT)** handles all income and expenditure from each interest group and maintains the formal accounts for all the groups;
- The **Wu3a Treasurer** deals with the main Wu3a finances that are not interest group-specific, the Wu3a Annual Accounts as well as managing GC allowances and grants.

2 Forms

All these forms may be downloaded from the “GC documents” area on Dropbox, or on request from the GT or Wu3a Treasurer.

2.1 Payment Authorisation

The Payment Authorisation form enables GCs to authorise single payments to tutors, speakers or venues where an invoice could not be issued. The form may also be used to make regular payments to tutors or venues, with prior approval by the GT.

2.2 Expense Claim

The Expense Claim form is used by GCs to claim funds from the groups fund for ongoing expenses, used for the benefit of the group.

2.3 Group Co-ordinators Annual Claim

The GC Annual Claim form enables GCs to claim funds from Wu3a funds for out of pocket expenses, necessary to facilitate the smooth running of the group.

2.4 Group Activity Financial Record

The Group Activity Financial Record form is a simple one-page form that enables GCs to track group income and expenditure.

3 Managing Group Income

3.1 Overview

The majority of GCs will handle group money – most frequently for venue hire, speaker fees. Typically, the GC will collect money from group members and arrange payments to be made through the GT.

3.2 Principles

There are several principles when it comes to handling money;

- Groups must be self-financing – that is all expenditure by the group will be covered by prior income from the group members;
- There is a presumption of trust and honesty – there are minimal checks and balances, as people can make mistakes;
- Money is held in a separate ‘Social’ account, managed by the GT, ring fenced for the benefit of the group.

3.3 GC Guidance

Here are a few points of guidance and advice for GCs:

- As GC, you should not be out of pocket in the course of managing the group;
- If you, as GC, anticipate a potential shortfall in funding, the GT should be advised without delay and remedial action agreed;
- All money contributed by group members must be passed to the GT for formal recording and not applied directly to make purchases or payments;
- Any significant purchases (e.g. venue rental, purchases of materials for the group, fees for visiting speakers) made for the group must be undertaken by the GT;
- All GCs should undertake Beacon training, so they will be able to view and check the formal financial records for their group;
- All members of a group (or all participants of an activity) must make equal contributions.

3.4 Exceptions

The following are a list of exceptions to the use of the GT:

- A cash “kitty” not exceeding £25.00 may be held by the GC for refreshments etc., without it being recorded by the GT or reflected in Wu3a accounts, provided that contributions to the kitty and consequent participation in the refreshments are voluntary, mutually agreed, records kept and available to all participants.
- Payment for activities (such as theatre or coach trips) where participating members pay the provider individually, do not need to be reflected in the group’s finances. However, if members prefer to make a collective booking, this must be handled in association with the GT and recorded in the group accounts.

- Small purchases of material for use by the whole group may be made by the GC (or a group member with GC's prior approval) and an Expense Claim form with supporting receipts presented to the GT for repayment from group funds. The GC must ensure that there are sufficient funds to cover the purchase and other commitments;

3.5 Group Subscriptions

The GC may collect subscriptions from group members and passed to the GT for banking and record keeping. These may be collected in a combination of :

- **Cheques (payable to “Waterlooville U3A”)** which:
 - are preferred for security;
 - are more easily transferred to the GT.
- **Cash**, which:
 - must be held securely for the shortest appropriate time;
 - must be held separately from personal money;
 - must not be held in a personal bank account.

Subs collected must be passed to the GT in one of the following ways:

- **By hand** to the GT or a committee member at a Wu3a meeting such as Coffee Morning or Monthly Meeting – or at other times arranged with the GT;
- **By personal delivery** to GT in a sealed envelope to the GT address (by prior agreement only);
- **By post**: Only subs collected by cheque, may be posted to the GT address.

In order to support GCs and group members, there is a facility to enable payments directly (BACS) to the designated Wu3a bank account has been arranged. This facility shall be used after agreement between the GC and the GT.

4 Venues and Other Purchases / Services

4.1 Venues

Where a group meets regularly at the same venue, the hire agreement must be managed through Wu3a, the venue issues invoices directly to the GT for payment. The GC to ensure that there are sufficient group funds in the ledger account.

If the venue is not required by the group on a particular date, the GC or someone from the group must inform the venue (preferably in writing) in good time, to ensure that they are not charged and that the GT is informed of the cancellation.

If a group only requires a venue occasionally, it may be convenient to make a one off arrangement with the venue and ask the venue to make the invoice to 'Waterlooville u3a'. The invoice can be sent to you personally for you to check and pass to the GT for payment. Never make private arrangements with the venue. All venue arrangement must be on behalf Wu3a and be approved in advance by Group Liaison (GL).

4.2 Tutors / Speakers

If your group requires the services of a tutor, they will be requested to supply invoices to the GT for payment. The GC must ensure that there are sufficient group funds in the ledger account.

If the tutor is unable or unwilling to provide an invoice, the GC will need to discuss the situation with the GT and a suitable arrangement (such as Payment Authorisation) will be agreed, so that the tutor can be paid for.

If a group requires the services of a tutor on an ad hoc basis, the GC can liaise directly and request an invoice to "Waterlooville u3a" is sent directly to you for payment by the GT. If an invoice is not forthcoming, a Payment Authorisation can be used to organise the payment.

4.3 Ad-Hoc Purchases

Where the group needs to purchase materials, or you incur other expenses that are to be paid from the groups funds. The GC must submit a *General Expense Claim form* (section 2.2) along with all receipts to the GT for reimbursement. The GC must ensure that there are sufficient group funds in the ledger account.

Where the GC incurs expenses related to running of the group, the GC must submit a *Group Co-ordinators Annual Claim form* (Section 2.3) along with all receipts to the Wu3a Treasurer for reimbursement.

5 Keeping Financial Records

All GCs are required to keep records of income and expenditure for the group. The form of record is not prescribed, Wu3a have provided a *Group Activity Financial Record form* (section 2.4), which has a record of income and expenditure. Some GCs choose to use a spreadsheet recording the same information, while others choose notebooks. It is for the GC to decide which best suits them. In all instances, the entries for income and expenditure must be recorded separately and not be combined into a single entry.

Where subscriptions are collected from group members a record should be kept showing when each members has paid, showing when subscriptions are passed to the GT. These funds are held in the Wu3a "Social" account, periodically (e.g. monthly or quarterly) the balance held in Beacon should be compared with the GCs own records ensuring that the income / expenditure records match.

Whichever, financial recording that the GC uses, this must be made available to the committee on request, which will normally be on a yearly basis.

6 Group Closure / Refunds

Whilst it is hoped that interest groups continue, over time a number of groups will close, through a variety of reasons. Where a group follows this path, the following principles apply.

In general, any remaining funds held in the group ledger or held by the GC, is deemed the property of Wu3a and is transferred to the main u3a account as a contribution for all Wu3a activities.

However, exceptionally, where *specific payments* have been made to the group by *identified group members* as a *pre-condition of participation in planned activities*, a refund will be considered to those group members, limited to the extent of those activities that did not occur. (No refund will be considered to an individual who could not attend one or more activities for personal reasons.)

7 Miscellaneous Matters

7.1 Travel Approval

Where GCs or other group members are required to travel to formally represent Wu3a at conferences or meetings they can recover their reasonable travelling expenses providing their travel has been approved in advance by the Wu3a Treasurer or Committee. Member using their own car with prior approval, may claim the current HMRC allowed mileage rate (45p per mile at the time of writing). Where more than one Wu3a member is travelling to the same event, economic use car sharing is expected.

7.2 Organiser Perks

The principle of volunteering and mutual help, does not allow any member receiving benefits or incentives from suppliers. It is not unheard of for coach trip operators to allocate a “free seat” for a tour organiser, or a “commission” for taking a party to a restaurant. In no circumstances should the organiser benefit from such incentives. If accepted, the benefit should be shared by all participants in the form of reduced payments so that the payment by all participants including the organiser should be the same.

7.3 Dealing with other Charities

In accordance with Charities law, no Wu3a money (including that held on behalf of a group) may be assigned (donated) to another charity unless the other charity has identical objectives with Wu3a. Such agreement of objectives are very improbable, except with other u3a organisations.

Special considerations:

- If a speaker asks for their fee to be paid to a charity, the fee should instead be paid directly to the speaker, allowing them to donate to the charity.
- A Wu3a group performing (or offering any service) for an external body and that the audience chooses to make a voluntary donation to another charity this is permitted provided that:
 - it is clear which charity is the recipient;
 - money so donated does not pass through Wu3a accounts.

8 Wu3a Support

8.1 New Groups

Wu3a supports and encourages the formation of new groups, this help is arranged jointly by GL and the Wu3a Treasurer and includes :

- **Set-Up Meeting.** Prospective new groups will meet in a venue arranged by Wu3a, under the chairmanship of Groups Liaison to determine the level of interest, to decide the initial arrangements (such as frequency, days of months, venues etc.) and, most importantly, to appoint the GC.
- **First Group Meeting.** The hiring of the meeting venue, (if required), before the group has established any funds.
- **Group start up allowance (max £50).** With the agreement of GL or Wu3 Treasurer, a new GC is encouraged to identify any essential initial materials needed for the group's operation. (For example: playing cards, shuttlecocks etc). Once agreed in principle, a claim should be made on a *General Expense Claim Form* (section 2.2) and submitted to the Treasurer for payment of invoice, or refunding any previously approved expenditure.

8.2 Established Groups

There are additional sources of central Wu3a funding for established groups :

- **Group Annual Allowance (£40 per annum).** This allowance is to meet any expense that the GC incurs in facilitating the group such as Postage, Printer Paper, etc. Claims for this Allowance should be submitted to the Treasurer using the *Group Co-ordinators Annual Claim Form* (Section 2.3) and must be accompanied by receipts or invoices for payment. Non-recurring costs (such as maps) can be claimed under this allowance).

However, recurring consumables needed for the normal operation of the group (such as ping pong balls) cannot be claimed under this allowance but should be claimed with receipts against group funds, ultimately contributed by the group members' subs.

- **Exceptional situations.** In general terms each group should be self-funding and group members must cover the running costs. However, if a GC feels there are some exceptional circumstances, they may ask the Committee for additional financial support (e.g. unforeseen exceptional expense or legitimate training need). Discuss your needs with the GL or Wu3a Treasurer who can put forward your request to the executive Committee.

<i>Document history</i>	
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