

Interest Group Finances

Overview

Interest Groups are the reason for the existence of the u3a and competent, well-motivated Group Coordinators are vital for its continued existence. The policy and procedures set out below have been devised recognising these values; they are experience based and pragmatic.

The guiding principles adopted by Howden and District u3a in preparing the finance policy and procedures applicable to Interest Groups financial arrangements is that they should be compatible with Charity Commission and Third Age Trust guidance, and that they should not lead to unnecessary overburdening of an already busy Treasurer.

All Interest Group Coordinators are accountable to The Trustees of Howden & District u3a – hereafter referred to as Trustees (being the elected members of Committee) and to their members for their group finances. Depending on the type of group, this accountability may derive from the natural transparency of any financial transactions, or by recording and reporting transactions. Always it is underwritten by trusting relationships and mutual respect.

Interest Groups are expected to be self-financing so that their activities are not subsidised by other members of the u3a. Interest Groups can collect sums of money from their members and make any expenditure necessary to undertake their activities. The funds of Interest Groups belong to the u3a. Interest Groups are permitted to make any expenditure deemed necessary by the Group members and the Group Coordinator can request money from any ringfenced funds held by the u3a on their behalf.

The Beacon Groups Membership function should be used to record members and to contact members via the Beacon email function. Except in the case of 'Home Groups' (see below) The Beacon Groups Ledger must be used to record all financial transactions.

The u3a Treasurer, the Group Facilitator and the Interest Group Coordinator need to agree what records need to be kept of the groups' transactions in order to:

- 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 Coordinators to maintain cash floats.

The financial turnover of Interest Groups, which is defined here as annual gross income, varies widely from small groups meeting in members' homes, to groups which hire halls or rooms to undertake their activities. The need for the u3a Trustees to exercise financial control and recording varies accordingly. For this reason, Howden and District u3a has

adopted a tiered approach by classifying interest Groups' activities into the following categories: 'Home/free venues'; 'Outings'; 'Hall Venues etc'; and 'Exceptional'. The definition and financial arrangements for each of these categories are detailed in the following sections.

'Home/free venues'

These are relatively small Interest Groups, typically having an annual turnover well below £500. They usually meet in members' homes or free of charge venues and do not meet in regular, paid for, venues such as village halls. In general, their only expenditure is for refreshments which are provided and funded according to arrangements agreed amongst the members. Exceptionally they may need to make purchases on behalf of their members to facilitate their activity and reclaim the cost from their members. This income must exactly balance the Group Coordinator's expenditure and need not be included in the estimate of the Group annual turnover.

These Groups require no financial reporting to or oversight by the u3a Trustees.

'Outings'

Groups may undertake visits to places and venues agreed to be of interest to their members. Bus hire may be involved. All visits should break even. If for reasons beyond the Group Coordinator's control a surplus arises, this must be kept by the Group Leader on behalf of the group or paid into the u3a. This surplus may, by agreement with the Committee be ringfenced by the Treasurer for that group's future requirements.

The Group Coordinator (or organiser) of an event must not benefit from any discount (e.g. free entry, meal or drinks) offered by the organisation providing the event. The value of any free benefits must be shared equally among all participants to the event.

Depending on the nature and cost of the visit, by agreement with the attendees and with their oversight, the Group Coordinator may opt to handle all the financial transactions.

Alternatively, the Group Coordinator may collect the money necessary to fund the visit from the attendees in advance and pass the total final amount to the u3a Treasurer via a single Bank transfer into the u3a Business Current Account. The Group Coordinator will arrange for an invoice to be sent to the Treasurer for payment by BACS. The Treasurer and Group Coordinator will liaise to ensure that the invoice amount agrees with the price quoted by the company.

In addition, they must provide financial reports to the u3a Treasurer and Trustees. This should be done by means of the Beacon Groups Ledger.

'Hall venues etc'

Interest Groups which hire a meeting place for their activities, either regularly or occasionally, and have a turnover usually well under £2,000.

These Interest Groups charge their members fees to pay for their costs and must be self-financing. The Group Coordinator and members must handle all financial transactions themselves. If for reasons beyond the Group Coordinator's control a surplus arises, this must be kept by the Group Leader on behalf of the group or paid into the u3a. This surplus may, by agreement with the Committee be ringfenced by the Treasurer for that group's future requirements.

In addition, they must provide financial reports to the u3a Treasurer and Trustees. This should be done by means of the Beacon Groups Ledger.

'Exceptional'

Groups whose turnover is well in excess of £2,000 must first agree their operating procedure with the Groups Facilitator, the Treasurer and Trustees.