Advice for Group Leaders on Group Expenditure

Notes.

These guidance notes apply to groups that collect money from members and use to this to facilitate an activity e.g., groups that visit theatres, cinemas etc, or hire venues and/or pay fees to speakers or tutors or purchase equipment to use by the group.

Groups that hold their meetings in member's homes and levy a small charge for refreshments do not need to follow these procedures. If, however, they have traditionally kept a record of these transactions they may wish to continue to do so.

Group Leaders when setting up a new group should use the link Contact - Southwell u3a to email the Treasurer Liz Neesam to ensure compliance with Charity Commission requirements regarding finance. Please also send a copy to the Groups Treasurer Jan Clarke-Humphries.

PLEASE NOTE: this guidance must be adhered to because:

- It is a legal requirement due to us being a Registered Charity (Charity Registration No 1132337).
- It is a requirement to comply with National u3a constitution.
- It helps to protect both the group leader and the members of their group.
- It helps the Treasurer to complete the financial statements at the year's end.

Financial Forms

Please use the standard forms that have been produced to help you keep a track of money

- Bank Deposit Form = form dd
- Group Balance Sheet = form ee (excel)
- Group Balance Sheet = form ee (word)
- Group Attendance Register = form ff (excel)
- Group Attendance Register = form ff (word)
- Expenses Claim = form gg
- Coach Drivers Tip = form kk

All the above forms can be downloaded, from the website, any problems please email the Treasurer using the link Contact - Southwell u3a.

General

- The u3a financial year runs from 1st April to 31st March.
- U3a accounts are drawn up on a 'receipts and payments' which means only actual movements of money within the financial year should be recorded and there are no accruals.
- Records must be maintained on an ongoing basis as the Charities Act requires that the financial position of the u3a can be ascertained at any time.

Beacon's Finance System

There is a facility on Beacon to keep a track of your group finances via a Group Ledger. This allows both the Treasurer and the Group Treasurer to see the bank balance of the group without sending emails backwards and forwards. If you wish to use this system, then please get in touch with the Treasurer. This replaces the Balance Sheet form ee.

Income

1. Group leaders should ensure that they collect sufficient money from group members to cover the expenditures they are planning to incur. It is not acceptable for groups to incur deficits.

2. It is recommended that all payments to the u3a are made by cheque, as this is clear evidence that payment has been made.

3. If it is decided you group is required to keep financial records then all monies collected need to be recorded on the Group Attendance Register form ff and deposited in the u3a groups bank account using the bank deposit form dd. Balance sheet form ee must be used to record money received and payments made. Alternatively, Beacon can be used to record transactions.

4. Where payments in cash are accepted detailed records must be kept using the Group Attendance Register form ff, it is acceptable for the group leader to retain the cash and write a cheque or transfer via BACS on their personal bank account to the u3a groups bank account for the sum retained – and to endorse their records that they have done so. Complete the Bank Deposit form dd and deliver to the Groups Treasurer John Langley. If the deposit is made by BACS then please email the groups treasurer with the information so that money can be accurately allocated.

5. This relaxation to the process for handling cash does not apply to cheques; these must always be made payable to u3a and banked in the groups account. Cheques must not be made payable to group leaders or paid into their personal account.

6. Whenever money is collected from a group, this should be recorded against each person's name on a Groups Attendance Register (form ff). The group leader may choose to give members a receipt (simple carbon backed receipt book will suffice) but this is not essential.

7. The total received should be entered on the group's Balance Sheet (form ee) and where appropriate, the monies passed to the Groups Treasurer for banking using the Bank Deposit form (form dd).

8. Group leaders must not retain large sums in cash (there is limit cash help on our insurance) and in any event, it is preferable to bank large sums should the money need to be held for any length of time. Ideally, no more than £50 should be held in cash at any one time.

Expenditure

1. Preferably, all groups should use the groups banking facility, with money being collected and banked in advance of payments being

made. Nevertheless, it is recognised that situations may arise where a payment needs to be made at short notice, in which case money should be collected and banked as soon as possible thereafter.

2. The Groups Treasurer will make payments as required on request. Payments may be made by online banking, by debit card or by cheque. The group leader should contact the Groups Treasurer, preferably by email at treasurer2su3a@gmail.co.uk, in good time and provide details of the payment required. A receipt, invoice, booking confirmation or other evidence must be given to the Groups Treasurer for every payment made. The payment should be recorded on the group's Balance Sheet (form ee).

3. Ideally, all group payments should be made through the u3a groups bank account. Where, exceptionally, a supplier will not accept this or a payment has to be made urgently, a group leader may use their own credit card or debit card to make a payment and claim reimbursement from the u3a, see 12 below. However, before doing so, the group leader must send an email to the Groups Treasurer to let him know what is to happen and to be sure the group has sufficient funds, or will have sufficient funds once money has been collected and deposited, to cover the claim for reimbursement.

4. Where a group leader uses their own credit or debit card:

• a receipt, invoice, booking confirmation or other evidence must be provided with the expenses claim for reimbursement (using form gg),
• all monies collected from group members must be banked with the Groups Treasurer; the group leader should not reduce their claim for reimbursement accordingly, and
• the transaction must be recorded on the group's Balance Sheet (form ee).

A claim for reimbursement must not result in the group incurring a deficit.

1. Notwithstanding the above, it is recognised that is not necessary nor appropriate for every single transaction to go through the groups bank account, and it is acceptable for group leaders to make small payments by cash where appropriate. A receipt or other evidence of payment must always be obtained and the transaction must be recorded on the group's Balance Sheet (form ee). Receipts etc for cash payments must be passed to the Treasurer, Jan Clarke-Humphries with the Balance Sheet at the year end.

2. Where a venue needs to be hired, the group leader may make the arrangements. Ideally, the group leader should make arrangements with the venue for an invoice to be sent to the Groups Treasurer, who will arrange for payment to be made. However, if it is convenient and straightforward, the group leader may pay the provider of the venue direct using the cash collected at each meeting. (A Group Attendance form must be completed form ff) A receipt must be obtained and the transaction recorded on the group's Balance Sheet (form ee).

3. Receipts or invoices should be obtained for all transactions. Where payments have been made through the Groups bank account, the receipt etc must be passed to the Groups Treasurer at the time, or shortly after, a payment has been requested/made. Where payments have been made in cash, the group leader must retain the receipts etc and pass them to the Treasurer with the group's Balance Sheet (form ee) at the year end.

Accounting for group finances

1. The group leader is responsible for the group's finances and needs to be able to account to both the group members and the Treasurer (on behalf of the trustees/committee) for the way the money has been spent. The groups Balance Sheet (form ee) should be used for this purpose. All monies received from members and all expenditure incurred must be entered, whether in cash, by cheque or other means of payment. The balance sheet provides for a running balance of money held as cash and at the bank. A copy must be sent to the Treasurer at the end of the financial year (31st March), with a copy being kept by the group leader for their records

Important Contact Details:

Treasurer – Liz Neesam
Groups Treasurer – Jan Clarke-Humphries
Both officers can be contacted through the link Contact - Southwell u3a
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