

# **AUGHTON & ORMSKIRK U3A**

## **FINANCE & RESOURCES SUB-COMMITTEE (F&R)**

### **TERMS OF REFERENCE**

#### **PREAMBLE**

Under paragraph 12 (viii) of the A&O U3A Constitution adopted on 5 November 2015:

*‘The Management Committee (MC) may appoint sub-committees including at least one member of the MC, for the purpose of performing any function or duty which in the opinion of the MC would be more conveniently undertaken or carried out by a sub-committee, provided that all acts and proceedings of any sub-committee shall be fully and promptly reported to the MC.*

*The MC shall authorise the terms of reference of sub-committees and may alter them from time to time. Sub-committees may take proposals to the MC. They may take such decisions and authorise expenditure in accordance with the limits delegated to them by the MC.’*

#### **1. PRIMARY OBJECTIVES**

- 1.1** To ensure that the organisation’s financial records are maintained in such a way as to satisfy the requirements of the Constitution, Trustees, Management Committee (MC), The Charity Commission and external accountants.
- 1.2** To provide the MC and Trustees regularly with financial information in such a form that it enables them to discharge their duties and responsibilities under the constitution.

#### **2. DUTIES AND RESPONSIBILITIES**

- 2.1** To ensure that insurance policies are renewed annually and that any substantial increase in premiums or changes in scope are drawn to the attention of the MC for final decision.
- 2.2** To ensure that adequate financial controls and procedures are in place, including the receipt of cash and cheques and the making of payments, subject to approval by the MC, as required under paragraph 13 (iii) of the Constitution.
- 2.3** To act always in accordance with the Constitution, directives from the MC and approved policies and procedures.
- 2.4** To obtain verification from group leaders that tuition fees paid directly by U3A are recovered by receipts from group members.

- 2.5 To submit reports of receipts and payments on a monthly basis to the MC and Trustees, including an analysis by category relating to Group and Main accounts and a summary of monthly movements on bank accounts.
- 2.6 To support the MC in reaching decisions, including those concerning the use of the organisation's resources (inter alia) by collating and validating applications for funds and other information.
- 2.7 To receive and consider applications for funding, subject to the financial limits of authority defined in paragraph 3.
- 2.8 To refer to the MC any group applications or other matters which fall outside the Financial Limits of Authority as set out in paragraph 3 below, or on which the F&C requires guidance.
- 2.9 To ensure that those Financial Policies and Procedures which have – or may have – financial implications are kept under continuous review, and that any recommendations for modification are made to the MC.
- 2.10 To provide any other financial information, as and when requested by the MC or Trustees.
- 2.11 To communicate F&R Policies and Procedures to U3A members through the appropriate channels, so that the wider membership becomes aware of its remit and how to interact with the F&R, and thus understand the basis upon which it reaches its decisions.
- 2.12 To keep under review the list of cheque signatories and to make recommendations, as appropriate, to the MC.

### **3. FINANCIAL LIMITS OF AUTHORITY**

**3.1** To consider and, if appropriate, to approve applications for funding, subject to the limits set out below, provided always that the decision fully meets the criteria set out in U3A Policies and Procedures, and that any approval will not set a difficult or undesirable precedent in respect of other applications. Authority to approve is delegated to F&R as follows:

3.1.1. Applications for funds submitted on a standard form by members or group leaders for the supply of products or services, to a maximum of £600 per application.

3.1.2. Applications from group leaders for increases in premises' charges. (See 4.4 below).

3.1.3. Applications from group leaders for a change of premises or, in the case of newly formed groups, for initial premises. (see 4.4 below).

3.1.4. Applications for an advance which is expected to be recouped by subsequent sale of tickets to an audience which is not confined to members of a particular group (e.g. theatre productions, holidays and short courses) will not be subject to an upper limit, provided the application is accompanied by a break-down of estimated receipts and payments.

#### **4. METHODOLOGY**

**4.1** The authorities listed in paragraph 3 above are separate and distinct from those of the Treasurer, who is responsible for making payments in respect of operating expenses and other liabilities for which a commitment has already been made.

**4.2.** Notwithstanding the limits defined above, the Treasurer is authorised to approve applications with no upper limit, where the need is urgent and the application relates to routine recurring operating requirements. The Treasurer will provide details at the next F&R meeting.

**4.3.** In reaching its decisions the F&R will take account of a group's previous applications, and will examine the estimate of income and expenditure relating to any planned event.

**4.4.** Applications for increases in premises charges, referred to in paragraphs 3.1.2 and 3.1.3 above, will be treated on their individual merits, as circumstances and time periods will vary greatly, and thus the setting of an upper limit would be impractical.

**4.5.** All applications (except those specifically covered by 4.2 above) will be recorded in the F&R log and submitted to the Management Committee (MC) at its next meeting, distinguishing clearly between those items already approved by F&R and those requiring approval from the MC.

**4.6.** If the vote of the F&R members is not unanimous, the application shall be referred to the MC for final decision.

**4.7.** In the event that an application for funding is rejected by F&R, the applicant may request that F&R refer the matter to the MC for final decision, or alternatively they may appeal directly to the MC.

## **5. ELECTION OF CHAIRMAN & MEMBERSHIP**

- 5.1. Membership of the F&R and its chairman will be elected by the MC at the first MC meeting following the AGM.
- 5.2. Membership of the F&R will lapse at the following year's AGM.
- 5.3. The membership shall always include the Treasurer and the Assistant Treasurer, if one has been appointed.
- 5.4. Members may be appointed by the MC during the year, and their appointment will lapse at the next AGM.
- 5.5. As required by the Constitution [paragraph 12 (viii)], at least one member of the F&R shall be also a member of the MC.

## **6. MEETINGS**

- 6.1 Meetings will be held periodically, normally between each MC meeting, as agreed in advance by F&R members.
- 6.2 Agenda papers should be distributed to members at least three clear days before the date of the meeting.
- 6.3 A minimum of four F&R members present will comprise a quorum necessary for validation of the meeting's business, subject to the provision of paragraph 4.6. above.
- 6.4 Members should notify the chairman of their inability to attend a meeting as early as possible.
- 6.5. Members may serve for an indeterminate period until they resign.

**Updated 18 October 2016**