



## Appendix to BU3A GCs Handbook

### Finance Questions

#### Introduction

These finance questions (FAQs) supplement the financial matters information available in the current handbook for GCs which is available from our website, and are specifically aimed at GCs (group leaders).

The additional advice and guidance here is provided by the Third Age Trust, to whom we are affiliated in order to further our mutual aims centred on providing learning opportunities for those in their Third age – specifically those who are no longer in full time work.

#### Interest groups

All U3As have groups that are run or managed by one or more members. However, the funds of these groups belong to their U3A and the control and reporting of the related financial transactions should be covered in the financial policies.

Any assets purchased or cash accumulated by the group belong to their specific U3A and must be returned to the U3A if the group ceases to exist. These assets should also be listed on the Asset Register.

#### Outings (Trips, Holidays and Events)

Trips for members only that are less than 24 hours and do not include an overnight stay are allowed and covered by the normal Trust Insurances. The Trust does not offer Travel Insurance and the responsibility for this is with the individual. Added protection may be added if the trip is booked through a coach company.

Rules that apply for a study group outing or a summer school event are that participants just need to be U3A members, not necessarily members of the study group, but must be attending for the purpose stated.

Holidays that are classified as 'Packages' are subject to Package Travel Regulations if the U3A runs more than 10 qualifying per year, as this will be considered acting as a tour operator. Further details available on request.

A qualifying event consists of overnight accommodation plus at least one other element. These can be carriage (transport), accommodation or other included tourist



service, e.g. hire of equipment, entrance fees or spa treatment. These must be stated as being inclusive or booked at the same time as the holiday.

All must be for U3A members only and none of the various insurances offered by the trust are a substitute for members own personal travel insurance needed for any trips or holiday.

The Trust has additional insurance cover in the event of a U3A being held to be a tour operator.

Where possible it is less problematical if holidays are paid for directly by the member to the holiday company or travel agent.

### **Can we pay external tutors where we have no group leader from the membership?**

For example, where a U3A cannot find a member to explain/show a particular topic to the group members, the group leader may choose to engage a paid tutor for that subject. The Trust is against having paid tutors in principle, but U3As are independent charities and can make their own decisions. Paid tutors must not be a member of any U3A.

The Trustees must ensure that the tutor is self-employed, pays their own tax and have Public Liability insurance. HMRC will have issued them with a UTR (Unique Tax Reference) number which a paid tutor should be able to produce along with a copy of their Public Liability Insurance certificate as evidence that the tutor is not an employee.

The group using a paid tutor cannot be subsidised by their own U3A. If members want to have a group with a paid tutor but the Committee do not agree with the proposal, an option is to make the group a non U3A activity. They will need to organise their own Insurance for the activity.

**A U3A have started a Yoga group. They are aware of the issues involved in paying for a tutor. However, the church that own the hall that they use, says they must use the church's own Yoga tutor. This is included in the room hire fee. The U3A are not paying the tutor directly. Is this ok?**

An individual U3A can decide to use a tutor in this way. The invoice will be issued by the hall owner and they carry all insurance and tax check liabilities.

### **Guidelines on Paying Speakers**

Based on our Mutual Aid Principle the intent is to not need to pay for speakers. U3As cannot pay a fee to speakers who are members of a U3A. However, it is allowable to pay pre-agreed reasonable expenses to speakers, including U3A members. For external



speakers – only if payment is really necessary – then the following should be followed. The speaker’s fee and expenses should be agreed beforehand. The cost should then be reimbursed to the speaker through the U3As’s accounts.

If the Speaker wants to donate their fee to a nominated Charity, then this needs to be recorded in advance.

Two methods are possible. The first way, if the speaker is to be paid in cash or by a cheque made payable to them, would be for them to sign a receipt for the U3A’s records and then hand the value of the fee to the charity of their choice.

The second method would be to ask the Speaker to sign a declaration similar to the example below, and then the fees can be paid directly to the charity.

**To ..... U3A**  
**Please pay the fee/expenses due to me as speaker at your U3A on .....  
to the following charity**  
.....  
**Being a donation paid on my behalf to that charity.**  
**Signed ..... Date .....**

In both cases, it would be recorded in the accounts as “speaker fees”.