



Barnsley & District u3a Reserves Policy

1. Policy

This document defines the processes that Barnsley & District u3a (Bu3a) will use for managing its reserves. The policy will be kept under review (at least every 3 years) and revised as necessary.

This policy is part of Bu3a financial governance arrangements. It sets out the framework and principles within which the Trustees of Bu3a will manage all the organisation's financial affairs. The Trustees are accountable to the Membership for any non-compliance with this policy.

2. Background, risks and liabilities

2.1 Risks

The Third Age Trust provide guidance to u3as on an approach to reserves and suggests that u3as have sufficient reserves to fund six to twelve months activities. Having assessed the risks to Bu3a we believe this figure is excessive and would be locking away money which could be better used to fund current activities, striking a better balance between delivering on our objectives in the day to day and securing them into the future.

Our key risks are

- Loss of membership leading to reduced subscriptions, donations and Gift Aid
- Increased costs of venue hire

We have over 1300 members across one hundred groups so the risk of a sudden shock of drastically reduced membership, which would fatally undermine the organisation, is very low. Dissatisfaction which might generate a localised or widespread non-renewal of membership would be identified before it came to a head and would be diffused.

We value all our Groups and seek to sustain them when individual Group membership wains. However no Group or activity area is critical to the organisation such that its loss would fatally undermine the organisation.

We have numerous venues to choose from and the rise in venue hire costs is incremental. Although our venues operate on a commercial basis many have a communitarian outlook and work with hirers such as Bu3a to minimise costs and rental increases.

2.2 Liabilities

We pay an annual per-capita fee to the Third Age Trust in order to operate as a u3a and avail of the support they offer, in particular liability insurances (public and Trustee). A per-

capita fee is paid to use the Beacon system, a u3a package for managing membership and Group administration. Both these subscriptions are paid on April 1st based on the membership at 31st March. Our membership subscriptions are due on April 1st so a dramatic fall in membership renewals could result in an unfunded liability. However, for the reasons set out in section 2.1 above we believe the risk of a significant unfunded liability to be very low.

We have no liabilities to venues by way of long term contracts and none apply a cancellation fee. We typically pay them one or two months in arrears (depending on their billing cycle). We pay our bills typically immediately after the last date on the invoice. We do not accumulate debt.

In the very unlikely event of Bu3a folding we would not repay subscriptions to members.

Unspent grant money which would need to be returned, e.g. from Barnsley MBC, would only amount to at most £1000.

Our assets (as per our asset inventory) are considered to have zero value in the context of this policy. None of our assets are critical to operations and would require immediate replacement should they fail.

Money held by Groups, including ringfenced funds, are Bu3a funds in the context of the Dissolution Clause in our constitution (Section 18) and are in principle available to cover any liabilities.

We rent a storage facility for Bu3a equipment (Store First, Hoyland). This costs £1000 every six months. There is no cancellation cost or notice period.

The Choir hire a professional accompanist, who is not a Bu3a employee and to whom there are no liabilities other than outstanding fees of at most c. £700 per quarter.

2.4 Financing

Bu3a has three main sources of income, with the current approximate value given in parentheses.

- a) Annual Subscriptions of £15/year payable on joining and on April 1st when renewals (£20,000)
- b) Gift Aid on subscriptions and small donations (£6,000).
- c) Donations from members towards room hire, made on each visit to an activity where Bu3a pays for room hire (£45,000).

Income a) and b) is received in Q1. Income c) is spread evenly across the year.



2.5 Conclusions

Our policy assumes there will not be a sudden catastrophic financial incident and any threat would be incremental, noticed before it became critical and action could be taken to mitigate the impact. Possible actions include:

- Address the cause of widespread dissatisfaction
- Reduce or close loss making activities
- Increase the recommended donation (Blue Box) from members attending activities

Should these actions fail to address the problem we believe reserves to cover c.three months running costs would enable the Trustees to wind down the association in an orderly manner and cover any outstanding liabilities.

3. Calculations

3.1 Typical three month outgoings

Typical 3 month room hire costs	£12,000
Other expenses	£800
Store First	£900
Repay grants	£1,000
Choir accompanist	£700
Total	£15,400

3.2 Typical current levels of funds

Current account	£3000
Savings	£11,000
Choir account	£1,000
Total	£15,000

4. Conclusion and approach

Our total funds approximate to three months running costs. However, we aim to increase our savings gradually over the next three years to £15,000 and maintain them at a level to cover three typical months running costs.

Policy approved at the Committee meeting March 20th 2026.

u3a	Financial Policy Template – u3a-KMS-POL-003	The Third Age Trust
Version	Description of changes	Date
1.0	Barnsley & District u3a policy approved	20/03/2026