

Treasurers' News

Issue 10

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Editorial

As the year nears its end some treasurers may be completing their terms of office. If so, consider creating a portable email address for the treasurer to help your successor stay linked in to all services. Issues have arisen in the past few months about donations and about legacies. Some aspects are discussed on this page and the next. For those treasurers – which must be most of us – hoping to involve their meetings more in decisions around putting our financial energy into action, Ursula Fuller is making available a game she found to be enjoyed by Friends in Canterbury: see page 3. Page 4 has a piece on how meetings may develop reserves policies. And we've more, too, on each page. Please tell me what you think of it all.

Tom Heydeman, editor, tom@heydeman.eclipse.co.uk

Donations Q&A

Q: Would it be legal to donate money from meeting funds to the (British) Red Cross to support its work locally with asylum seekers, in which there has been long-standing and active involvement by several members of the local meeting (LM) raising the concern and proposing the donation?

A: There is certainly a difficulty with simply making a donation (or a series of donations) to the British Red Cross as, on the face of it, this is not part of the general religious and charitable purposes of the Society. It is important that the area meeting (AM) – or the LM – should undertake this work as part of the work of the meeting, in other words a “Quaker concern” as described in section 5 (iv) of the governing document. Perhaps a group of Friends could be set up charged with taking forward the meeting's concern about asylum seekers and allocated money in order to help them do this. It would be for them to decide how best to do this. Careful minuting, both by the meeting and by the group, would be essential.

Whether the work is done by (and any money spent by) the LM or the AM will depend on whether this is seen as a concern of the LM or the AM. In any event it would be important that both the AM and the LM trustees should support what is being done.

Portable email addresses

Treasurership is not a job for life. We pass on our books, vouchers and correspondence. But what about the email? Increasing numbers of treasurers are finding they cannot do without a computer and the resulting ability to have instant (and cheap) communication. The correspondence can be a veritable gold mine of information when it comes to understanding why things are being done in a particular way. When I realised that I was running out of room on my clunky web mail facility I decided that I had to create a separate identity for the treasurership. It occurred to me that I wouldn't want this when I gave up, but the next person would. So I created what I call an “office address”, that is an email account that goes with the office. Of course this has to be web-based so that it does not reside on a particular machine but stays “in the cloud”. I already had a gmail account for working with *The Friend* and found it to be very user-friendly. So I just made one for the AM and one for the LM. They are of the form: xxxxqmtreasurer@gmail.com. Caveat – try to avoid personal matters. Confine yourself to matters of fact and never say anything in an email that you don't want to be universally broadcast – it will be in the end!

John Drewery, South London AM

[A portable email address will simplify passing on to your successor your “subscription” to *Treasurers' News* in electronic form. Anyway it is as well to let Andrew McVicar in Quaker Communications Department (andrewm@quaker.org.uk) know who is taking over. – Ed.]

Being a Quaker Treasurer – Woodbrooke courses for new and prospective treasurers and any who feel uncertain.



Each starts at 11.00 am (with bookkeeping) or 6.30 pm (without bookkeeping) on day 1 and ends on day 3 at 3.00 pm (or sooner if you miss an optional afternoon session).

Course dates for 2011 are:

Fri 4–Sun 6 Mar
Tue 5–Thu 7 Apr and
Fri 6–Sun 8 May

Book as soon as you can.

Woodbrooke
Quaker Study Centre

1046 Bristol Road, Selly Oak
Birmingham B29 6LJ
0121 472 5171

www.woodbrooke.org.uk



What happens when a local meeting is left a huge amount?

Q: Our local meeting has received a very large legacy. After over 30 legacies to individuals and other bodies, including Britain Yearly Meeting (BYM), our meeting is to use the residue for its general purposes. Should this money be the property of the AM, as some suggest? Will it mean the LM accounts having to be audited instead of examined – or the AM's – and what about the other LMs in the AM? The treasurer and clerks of AM and the trustees have been informed of this inheritance.

A: The money should be kept by the LM. As its use is unrestricted, it becomes a part of the general fund of the LM. While this is itself a designated fund of the AM, it should be for the LM to control its use, barring dire emergencies. This does not preclude the LM from setting aside a part or all of it into a locally designated fund for a specific purpose, should one be found.

Any expenditure proposed by the LM is subject to the approval of AM trustees, primarily to check that it is legal. While the normal expenses of running the meeting need no special consideration by them, the appropriate use of this huge legacy certainly will. As they have to take account of the whole financial affairs of the AM and of the best interests of the whole AM, they may wish to give advice to the LM, e.g. to use a part of the legacy for repairs to a meeting house which otherwise might have to be met by other resources of the AM. However, such advice having been offered, it would be for the members of the LM to decide whether or not to follow it.

AM at large, having been informed of the legacy, could be involved in the process of discerning how it is to be applied for the meeting's Quaker and charitable purposes in accordance with its governing document (clauses 3 and 5) and *Quaker faith & practice*.

The deceased having left money outside Quakers in specific bequests, it seems reasonable to suppose that this residuary sum is intended to be used within Quakerism one way or another, potentially by LM, AM, BYM or other Quaker charities, as the LM may decide.

The report and accounts of the AM and all its branches (the LMs) will be subject to audit in any year that their total income exceeds the threshold. The auditor must be appropriately qualified and should be appointed formally by the AM in session, though trustees may recommend a firm. The trustees should find out how the auditor wishes to handle the process; a brief note on some ways appears in *Treasurers' News* 7 of February 2010.

Changes for the Charity Commission (CC)

Last issue we mentioned CC12 on managing financial difficulties. Now the CC itself has problems: see the Autumn 2010 issue of *Charity Commission News*, no 32, available now only from www.tinyurl.com/tn10-ccnews. The CC is no longer publishing the news in hard copy and by 2012 will get all its services online only. This may be connected with the government's demand that the CC cut its expenditure by 33% over the next four years. Can you suggest how this should be managed? See the CC website for this consultation and much else.

“Ministry of Giving” – a game that your meeting can enjoy

Other treasurers might be interested in the Ministry of Giving day that I ran for Canterbury LM last summer. As a new treasurer I sought ways to get Friends engaged with our finances, rather than feeling that it is all completely beyond them, so I arranged for us to run a session after meeting for worship on the Ministry of Giving, with an emphasis on finances. Lunch would be provided and we would finish by 2.30pm. It would be fun and without an account in sight.

The first encouraging effect was that meeting for worship focused on the whole gamut of giving, with excellent spoken ministry. After meeting we moved straight into work on the finances. Tables were put up and friends were asked to work in groups of about six. Twenty-one people stayed, so we had four tables.

Task one was to think how we would like to allocate our expenditure. Each table was given £100 in Quaker Bank notes* and some cards* with expenditure headings such as outreach, running the meeting house for our own use, children's meeting, making a loss on hiring the meeting house to others, donation to BYM and so on. There were also a few blank cards in case groups thought of an expenditure heading we had missed. The groups had to allocate all their money between the different headings and to make sure they knew what each heading covered. This took half an hour, with a great buzz of spirited discussion about priorities.

We then collected in the budget allocations and distributed lunch. The catering committee had produced a wonderful array of finger food and friends were asked to discuss Katie Frost's questions* about whether we have a distinctively Quaker approach to money and so on while they ate. After another half hour we cleared away the food and asked each table to offer any conclusions to the group as a whole.

Task three was to raise £100 from contributions, collections, investment income, legacies, fundraising, surplus on lettings and any other sources the groups could think of to pay for the planned expenditure; cards* were again provided. They were asked to consider how we might increase the meeting's income from each of these sources. Again, there was lively discussion as the Quaker Bank notes were divided up and the task took about twenty minutes. When this was finished we compared the expenditure and income allocations of the groups with each other and with the meeting's actual behaviour for 2009. Unsurprisingly, although people were fairly realistic they significantly overestimated the proportion of our expenditure on Quaker activities and underestimated how much it costs to run the meeting house. I was disappointed at their reluctance to see fundraising as a source of income but relieved that no group was relying on legacies to balance the books.

We concluded with a short plenary session in which I explained the various methods of giving and the amount per head needed for LM, AM and BYM. I encouraged weekly/monthly contributions and talked about Gift Aid. We finished spot on 2.30pm. Although we firmly said that the lunch was a gift, people spontaneously decided to have a collection for it and raised far more than goes in the basket on a normal Sunday.

It is too early to tell whether this will have an effect on the LM's income. Everyone seemed to enjoy themselves and they all talked far more about our financial priorities than they ever would in a meeting for business. A number of people said afterwards that the session had challenged them to think and that it had been quite a revelation.

Ursula Fuller, Canterbury LM

* You can download cards, Quaker Bank notes, Katie Frost's questions and a summary of how to run the game from www.quaker.org.uk/treasurers.

The Annual Conference of Treasurers, 25 June 2011, Friends House

Once again treasurers have this networking opportunity, sharing ideas and answering each other's questions as well as enjoying a programme of talks, discussion groups, etc. This is enjoyable development for treasurers at all levels of experience and responsibility. Look out in early 2011 for your invitation to contribute ideas on the issues that are relevant – and to book for the conference!

Find out more about Quaker Stewardship Committee at www.quaker.org.uk/QSC

Devising and applying a reserves policy

The question of reserves needs to be answered by each meeting in its own way but here is a possible template based on those being developed by a couple of area meetings this year.

1. Trustees are expected to be prudent in the care of resources and to have sensible amounts in reserve especially when there are premises to care for. On the other hand they should not be hoarding money if there is no particular purpose in view. Funds are there for the work of the charity.

2. The trustees will generally regard the equivalent of 12 months' expenditure as the most that they need to hold in reserve for the AM's general purposes. In addition, a designated fund should be built up to, or maintained at, a level sufficient to meet the routine and predictable expenditure incurred in the maintenance of property. It may be prudent also to designate an emergency or disaster-recovery fund.

2. Trustees consider that legacies (unless very large) should be used within about five years of being received, following the principle that using the money should enable us to do what we could not easily do otherwise but which enhance our Quaker life and witness.

3. Some decisions on the use of the development, legacies and other designated funds can be made at the time the AM budget is prepared and agreed; other decisions may need to be made at the end of the year in the light of actual expenditure incurred. Either way the use of reserve funds to meet deficits on the AM's basic expenses should be avoided.

4. Income from all the reserves forms part of the AM's income but it is neither feasible nor appropriate to set money aside purely to generate income.

5. The levels of the reserve funds will need to be reviewed at regular intervals and adjustments made as necessary, for instance to cope with inflation.

6. Local meetings manage their own funds and need their own reserves policies. Trustees expect these to follow similar principles to the AM central policy, i.e. a general fund reserve equivalent to up to 12 months' expenditure plus a designated fund for those aspects of meeting house upkeep and furnishing that are the responsibility of the LM. A legacy being disbursed on particular purposes may also reside in a designated fund. Amounts held in excess of these requirements may be deployed for the purposes of the charity, e.g. by transfer to the AM, BYM or Quaker charities.

Spreadsheets for Quaker treasurers – now with funds and help

There's a new version of the spreadsheets for Quaker treasurers (7f). The End of Year spreadsheet and the AM Consolidation spreadsheets have had a few small improvements, but the main change is in the Cash Book spreadsheet. If you've got several funds this now keeps track of how the money in the two bank accounts is shared between them. And there's a help file for instant guidance on using the spreadsheets.

For more information, or to order your copy, please use the order form on the website www.quaker.org.uk/order-treasurers-software, or contact Frank Sharman at the email address treasurersIT@quaker.org.uk.



The legacy booklet (2009 edition) is available from Quaker Communications Department or www.quaker.org.uk/legacybooklet.

A forum for Quaker treasurers is planned for <http://forum.quaker.org.uk/> so that we can air our problems and share our solutions. Watch this space!

The Trustees' Bulletin (www.quaker.org.uk/trustees-bulletin) has articles in which you may be interested, e.g. on the BYM insurance scheme.

Presenting Meeting Finances to Friends – how one treasurer managed this in the most visual, educational and entertaining way. See it at www.quaker.org.uk/treasurers or, for a copy by post, contact Katie Frost on 020 7866 9508 or email katief@quaker.org.uk.