

Treasurers' News

Issue 9

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Editorial

Treasurers' News 8 originally gave advice in its final article that had been obtained over the telephone from a member of staff at Her Majesty's Revenue and Customs (HMRC). This differed from other data – also from HMRC – known to Richard Summers of Quaker Life. In *Treasurers' News* 8a a hasty retraction was substituted for the suspect article and Richard's explanatory article accompanied it on the web. We are now happy to incorporate Richard's article into a final version of that issue of *Treasurers' News*, now termed '8b', which can be found in the usual location: www.quaker.org.uk/treasurers.

Besides our Annual Conference of Treasurers (ACT), the Charity Commission and ACAT (below), information for treasurers is provided by Third Sector at www.thirdsector.co.uk. Take a look!

Finally, if you encounter a problem do not hesitate to seek help. You can refer to your meeting's QSC Link Friend or to Helen Griffith in the Recording Clerk's Office (heleng@quaker.org.uk or 020 7663 1161).

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

Updated advice on the Charity Commission web site

Several of the Commission's guidance documents were updated in June 2010 – see www.tinyurl.com/tn9-ccguidance.

CC8 comes in two parts: Internal Financial Controls for Charities and, separate but associated, a self checklist for charities. Both have been completely rewritten and address new developments including electronic banking arrangements. You will probably find them useful.

CC12 (Managing Financial Difficulties and Insolvency in Charities) has been rewritten but contains no change in policy. Let's hope that you don't need this one; just be aware that it exists.

CC19 (Charities and reserves) presents the guidance in a new and accessible format and provides additional guidance for trustees on questions and factors to consider when developing their reserves policy. This is one that all treasurers and trustees need to read, understand and apply.

CC20 (Charities and Fundraising) has been revised and updated to include changes to the law brought in by the Charities Act 2006 and the sector's adoption of self-regulation for fundraising.

CC26 (Charities and Risk Management: A guide for trustees) now includes updated models for assessing risk and differentiates risks that arise from a financial situation from those that are primarily non-financial, even if ultimately they have a financial impact. There is no change to the regulatory requirements for charities. The financial risks, particularly, are relevant for treasurers.

Other new material is mentioned in the latest Charity Commission News, no 31, available from www.tinyurl.com/tn9-ccnews.

The Association of Church Accountants and Treasurers (ACAT)

ACAT's London conference on 26 June 2010 clashed with our ACT. Fortunately not all is lost as ACAT has made slides from the conference available at www.tinyurl.com/tn9-acat. Gift Aid is updated. A summary of independent examination reminds us that the accounts examined must include the narrative report. There are also notes on Christian Copyright Licensing International, which provides copyright solutions of all sorts for churches, and on the Independent Safeguarding Authority.

Financial Stewardship for Trustees and Treasurers

Wed 27 to Thu 28 October 2010, led by Kate Gulliver and Tom Heydeman

A new 24-hour course, responding to the needs of area meeting trustees and treasurers in caring responsibly for Quaker assets. We will consider good practice in writing and presenting charitable annual reports and accounts. We will explore how to develop and improve good financial practice by exploring ethical investment, reserves policies and priorities for spending in your AMs. There will be lots of

opportunity to share experience and learn from one another as well as the tutors.

Course Fees: £110 ensuite, £105 standard, £86 non-resident

Book as soon as you can.

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Loyal to the past, active in the present, creating the future

At this year's Annual Conference of Treasurers, Katie Frost delivered the keynote speech entitled 'Loyal to the past, active in the present, creating the future', briefly reported here.

Katie said that after two years as BYM's Community Fundraising Officer she has 'more questions than answers' to share with Friends about our attitudes and behaviour towards money.

Many of these questions arose from the challenges around contributions and giving which treasurers and collectors highlighted in response to a recent survey. Following up on some of the concerns raised by treasurers, Katie came across this wonderful answer from Friends of 1858 to worries we have today about how much we should be giving: 'Let them that have but little to give, give that little cheerfully according to their ability; and let those to whom a larger stewardship has been committed be largely liberal in proportion to their means.'

Katie felt that treasurers apprehensive about broaching the subject of money in their meetings might be encouraged by a 1911 passage, which declared: 'We earnestly counsel Friends not to give way to a feeling of annoyance when appeals are made to them for pecuniary help [...] Those who are appointed to collect subscriptions should avoid an apologetic tone, endeavouring rather to suggest to Friends that they are being reminded of a privilege.' The wisdom of earlier Friends has much to teach us today.

Katie asked Friends to reflect on whether we have forgotten the 'joy of giving'. She turned the tables on the familiar quandary about asking for money, by raising the question of whether we have the right not to ask. 'In not asking do we risk excluding Friends from the chance to participate in the ministry of giving?', she said. Past Friends were not only frank about the importance of giving but also comfortable with the responsibility: a passage titled 'wise benevolence' read: 'we should [give] in accordance, so far as is possible, with a settled policy; remembering that, as wealth increases, the proportion also grows which can be spared from normal expenditure'.

Katie's speech challenges Friends to consider whether we still maintain the collective sense of responsibility that led our predecessors to write so freely about the ministry of giving. Having spoken to young Friends about their views, she found their discernment to be refreshing. When asked whether it was right to ask pensioners, single parents and children for money, one young Friend responded: 'Equality is not about treating people all the same but about recognising that we are all different, all human [...] Categorising people e.g. young people, as being unable/unwilling to give is not treating them equally.'

So where do Katie's questions lead us? Now is the time, she says, to encourage discussion about money, giving and contributions in your meeting. If you would like to help your meeting in discernment of their ministry of giving, Katie is available to speak at your area meeting on this topic - please contact her at katief@quaker.org.uk or 020 7866 9508.

To read or to listen to Katie's message in full visit www.quaker.org.uk/treasurers.

Impressions of the Annual Conference of Treasurers, 2010

We are grateful to two Friends, one new to the conference, the other an experienced delegate, for these brief impressions.

This was my first time at the Annual Conference of Treasurers and I only expected to know one person there. However everyone was so friendly that I soon felt quite at home. Coffee and tea breaks and mealtimes were good times for networking and a valuable part of the weekend – as well as the food being delicious and ample.

I liked the way we were divided up into groups of 8 or 9 people with whom we worked throughout the weekend. The speakers introducing a session were sufficiently brief to remain interesting, and then we split into our groups. One of the themes of the conference was Communication and we did an interesting exercise where two of our group sat back to back, one facing a large abstract drawing, the other with paper and pencil, ready to reproduce the drawing as instructed in 5 minutes. The rest of us had to offer silent support until we analysed the process afterwards. In our group good points that arose were a) taking time to think and plan before speaking, b) having a central reference point, and c) checking understanding at intervals.

The session after tea on Saturday was not so good; we were tired after working all day. Our painstaking group leader could not get us to answer the set questions about the spiritual side of our work as treasurers. A period of rest during the day would have been welcome to me.

I came away stimulated, with a sense of fellowship. Treasurers are not just bean counters but are there to encourage and transform the bean into new growth with strong roots. I felt as though I had been given strong roots myself that weekend.

Brigid Simpkin, Treasurer, Ely LM

As usual the ACT is an occasion for getting to know some members of our staff from Friends House; also to meet other treasurers and hear of the range of good and not so good practice. As it is not a training event, the benefit of attending can seem unclear; however I do recommend it as a way to get 'recharged' and to be usefully refocused on good practice.

The YM accounts were presented and one thing became clear to me: the overheads of BYM are roughly equal to its investment income, so in effect all the voluntary giving can be seen as being channeled into the charitable activities. I feel that knowing this could encourage Friends in their giving to central work.

The 2010 annual appeal is based on the categories in the Framework for Action. Because the Charity Commission has pointed out that expenditure should be shown against charitable objectives, Friends House are aiming to do so for the 2010 accounts. This could be a challenge for area meetings!

The title of the conference was 'Enjoying our treasuring', so one workshop explored what gave us pleasure. The geeky response of many was the pleasure of balancing the books, but a further pleasure was the positive feedback from members when accounts were made clear and useful: as treasurers we can easily focus on the figures, when we also need to tell story behind the figures.

This deliberate challenge to switch from the problems to the pleasures inherent in treasurership continued when Katie Frost spoke eloquently and inspirationally of being 'Loyal to the past, active in the present, and creating the future', of 'the joy of giving', and 'meetings for worship are free, places of worship are not'. Her presentation is on the BYM website; I recommend you download it.

Andrew Smith, Treasurer, Kendal & Sedbergh AM

Are we all fit and proper persons?

Trustees and relevant managers, certainly including treasurers, appointed after 1st April 2010 must complete the ['Fit and Proper Persons' declaration form](http://www.tinyurl.com/tn9-hmrc) to certify their suitability – see www.tinyurl.com/tn9-hmrc. HMRC assumes that all those already in post are fit and proper.

Another question and possible answer

Members making loans to meetings

Q: If members lend money to their meetings, e.g. for a building project, must this be interest-free or can the meeting offer some sort of interest payment? If the former, what is the authority for this? If interest may be offered, how does the meeting work out what would be a reasonable rate?

A: Loans like this should generally be for fixed terms, e.g. for five years, so that the area meeting can plan for their repayment. A loan can, of course, be renewed if both parties want this. There should always be a written agreement defining the amount and term of the loan and what should happen if the lender dies before the end of the term; normally repayment would be made to the estate unless the lender had specified otherwise.

When BYM wanted loans for the second phase of Friends House refurbishment it was advised that Bank of England regulations would not allow it to offer interest. The relevant powers were later transferred to the Financial Services Authority and we are not clear about the present legal position in this regard.

The area meeting would not, in any case, be offering investment opportunities to the general public – only to its own members. Trustees have a duty to safeguard the assets of the charity so if interest were to be paid it should be on better terms, e.g. a lower interest rate, than those offered commercially. Interest might be either at a fixed rate or linked to an external indicator specified in the loan agreement.

However, meetings should try to work with interest-free loans if they can. Members are likely to see these as a simple way of offering financial support for the meeting's work.

'How are we dealing with the challenges of today to build a sustainable tomorrow?' – more results from a recent survey

How is the tough economic climate affecting Quaker meetings? How are treasurers managing in these difficult times? The Fundraising Team at Friends House recently launched a survey to find out more about how it can best support treasurers in protecting the financial health of meetings.

Most treasurers reported no significant decline in contributions as yet but there is concern that as the recession puts greater pressure on family finances in the coming years it could have an impact. Many treasurers were concerned about hirings income, too. While basic meeting costs are on the rise, some meetings are seeing their hirings decline, and a number have all their eggs in one basket with just one main hirer.

One treasurer highlighted discomfort at watching the gradual eating-away of legacy capital to pay for insurance premiums and basic repairs. The question recurring to this treasurer and many others was: "How long is this level of giving sustainable?"

On the other hand, there was plenty of good news. Treasurers and collectors are finding new, creative ways to deal with the challenges they face. Most felt well-supported. Many cited Woodbrooke's courses as inspiring confidence and competence. One meeting has even created a new finance committee to support its treasurer.

Local meeting achievements include:

- 100 per cent of members and attenders contributing on a regular basis;
- encouraging Friends to switch from the donations box to standing orders;
- boosting income by raising awareness and take-up of Gift Aid, adding 28 per cent to many donations.

One way the Fundraising Team can support you is to share good practice and innovative solutions. Katie Frost, Community Fundraising Officer, can offer advice, or put you in touch with other meetings facing similar challenges. Please let us know how you have been handling your challenges: get in touch with Katie at katief@quaker.org.uk or 020 7866 9509.