

Treasurers' News

New issue 1

Summer 2008



Published by Quaker Communications Department

Friends House, 173 Euston Road, London NW1 2BJ

Editorial – What do we treasurers need today?

As I write this, I have in front of me *Treasurers' Newsletter* no. 52, dated April 2005. It includes articles about avoiding fraud and about scams, the ending of excepted status for religious charities like ours and messages from Friends House staff who have since left. At the foot of page 1 it says 'A quarterly publication for Treasurers and Collectors of Britain Yearly Meeting...' However, there was no subsequent issue and many treasurers feel the lack of it. At the Treasurers' Conference in June 2008 resumption of a newsletter was agreed and an editor found.

Our first short piece brings out aspects of the underlying philosophy of Quaker treasurership. Then, the way West Kent manages with fewer treasurers could be emulated elsewhere. Woodbrooke both offers courses and asks for your ideas about them. The way we treat hirings, particularly, is clarified concisely in revised glossary entries for the next revision of the *Treasurers Handbook*, due towards the end of 2008. We thank Katie Frost for initiating a dialogue with treasurers about how we find our work and what support and training we think we need.

This issue is meant to initiate a dialogue. *Treasurers' News* will be greatly enhanced by contributions from its readers. Some of us have questions – others may have answers or simply hints to offer. What sort of help do we need and where can we get it? Do write in. Copy date for issue 2 is 20 October but questions received sooner are more likely to be answered.

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

Contents

Holding our money in the light – questions from Beth Allen.....	1
An integrated finance system – managing with fewer treasurers: the West Kent system	2
Woodbrooke – imminent courses; your ideas invited.....	3
The <i>Treasurers Handbook</i> – revised treatment of hirings and lettings in the accounts	3
Support and training that treasurers want – notes from a survey; have your say	4
Websites for more support	4

Holding our money in the light

The Treasurers' Conference this year began with an inspiring keynote speech from Beth Allen, former head of Quaker Communications Department. Using the analogy of seeds, we were encouraged not so much to count beans as to plant them. She advised reducing the potential loneliness of treasurership by involving all in the meeting. All can consider the role of our buildings and what we say with our money, which can be considered to be a part of the flow of energy from God. Beth ended with some questions that might serve as discussion topics in meetings.

- What is the essence of integrity? And who did you learn it from?
 - How do we develop a two-way flow of trust and confidence about money and property issues at a local level, between the treasurer and the meeting, and at a national level, between meetings and Friends House?
 - What does our Yearly Meeting balance sheet tell us about our priorities? Are they right?
 - What does it mean to be a moneyed people? How do we live with the power of money?
-

In praise of an integrated finance system

This year's Swarthmore Lecture reminded us of the importance of good stewardship. I believe that we are not stewarding Friends' time and money as well as we could, with the result that the resource available for specifically Quaker activities (such as outreach, prison ministry, and oversight) is less than it could be.

Here are two ways in which our stewardship is less than optimal:

- Being a good treasurer requires an investment of time and money in acquiring the necessary skills and knowledge. We currently make that investment in several hundred Friends when we really only need seventy or so to carry out the task of financial management.
- Each local meeting has its own bank accounts, sacrificing the higher interest that comes with higher balances and multiplying the number of reconciliations needed between bank balances and accounting records every month.

An integrated system, whereby one treasurer provides 'back-office services' for several meetings, offers a way of overcoming these

problems and of improving our stewardship. In West Kent, for example, I am one treasurer serving Maidstone Local Meeting, Tunbridge Wells Local Meeting and the Area Meeting in an integrated system called 'West Kent Quakers'. This title emphasises the fact that it is not an area takeover of LMs but a co-operative venture. Three bank accounts (one current account and two higher-interest deposit accounts) have replaced nine accounts that existed previously.

Might a local meeting without a treasurer lose its autonomy? This is equivalent to asking if, as individuals, we would lose control of our personal finances if the bank manager were not a member of our immediate family. The integration of back-office services in no way compromises the freedoms of the local meeting. If Tunbridge Wells Friends choose to buy a new carpet they do so and send the invoice to me for payment.

Could the funds sharing a common bank account lead to the meetings' money getting mixed up in a sort of financial communism? To understand why this is not so, we need to note the difference between a *physical* system and a *logical* one. For example:

	Local Meeting A	Local Meeting B	Area Meeting	Total assets
	£	£	£	£
Balance at start of year	20,000	35,000	30,000	
Income during year	5,000	8,000	6,000	
Expenditure during year	4,750	9,700	5,600	
Balance at end of year	20,250	33,300	30,400	83,950

Bank balances at year end

Co-op Bank	Triodos	CAF	
10,000	35,000	38,950	83,950

While no particular pound in, say, the Co-operative Bank can be labelled as a 'Meeting A' pound or a 'Meeting B' pound, at a logical level the account of each meeting exists as a separate entity: its money leaks neither in nor out: it receives all of the income due to it and if it decides to go on a spending spree then it has to live with the consequences.

The transition to such a system needs careful planning. Ideally the 'integrated treasurer'

might be supported by a paid bookkeeper. It would be difficult to operate it without some form of computerised accounting such as Frank Sharman's spreadsheets – but fortunately he has produced a multi-meeting version, which we use contentedly and effectively in West Kent.

Richard Wadey, Treasurer, West Kent Quakers, (richard.wadey@blueyonder.co.uk)

Woodbrooke
Quaker Study Centre

1046 Bristol Road, Selly Oak
Birmingham B29 6LJ

Advanced Treasurers' Course for area/monthly meetings and large local meetings

The course aims to ease the challenges of consolidation and compliance with SORP 2005 guidelines for preparing annual accounts and reports. Participants should already be familiar with basic accounting.

Friday 10 to Sunday 12 October 2008

Being a Quaker Treasurer – for new and prospective treasurers and those who still feel uncertain.

Fri 20–Sun 22 Feb; Tue 24–Thu 26 Mar and Fri 24–Sun 26 Apr 2009.

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

for details: www.woodbrooke.org.uk

Woodbrooke seeks your views...

Woodbrooke is currently looking at how the treasurers training might develop both on-site at Woodbrooke and off-site around the country. Possibilities being considered include regional treasurers training days, bespoke days in an area/general meeting, and whether we can reconfigure the on-site courses to cover a range of training and follow-up. As part of this review we'd like to invite any treasurer who has been on a training event to let us know what worked really well for them and has helped them to fulfil their service as a treasurer. Please send us your ideas about what works and what you'd like more of. Send these to leonora.wilson@woodbrooke.org.uk or write to Leonora at the Woodbrooke address, and we will look at all your ideas.

Kate Gulliver, lead tutor for the current treasurers training courses

Lizz Roe, Woodbrooke's off-site co-ordinator

Leonora Wilson, Woodbrooke's tutor for on-site treasurers courses.

... so please do respond!

Treasurers Handbook: new for the glossary

Treatment of hirings and lettings in the accounts

Hiring is the term for allowing use of some or all of the space in a *functional property* for a relatively short time in return for money. Hiring, while an 'Activity for Generating Funds', does not count as trading unless services, such as catering, which count as trading, are included. In any case, remember to note as expenditure the relevant support costs as well as the direct costs of hiring. For more guidance see www.hmrc.gov.uk/charities/.

Letting is the assignment by lease by a landlord to a tenant of the sole use of all or a part of a property in return for rent for a period of months or indefinitely subject to notice on either side. The rent received is investment income.

Non-Primary Purpose Trade is intended to raise money, outside the primary purpose of the charity but excluding investment income. It is taxable if it exceeds the *small trading exemption*.

Small Trading Exemption The level of gross income up to which non-primary purpose trading is not taxed: £5,000 or, if more, 25% of all the charity's gross income (including the trading) up to a maximum of £50,000. If you may be nearing the limit see HMRC information directly: there are other possible exemptions. [Aficionados will recognise that this is unchanged.]

A redefinition for the glossary

Restricted Fund A *fund* for which the use is restricted by the donor(s), e.g. when they strictly limit the use that may be made of a contribution or legacy. In area meeting accounts the funds of each *constituent meeting* were formerly treated as *restricted* but should now be treated as *designated funds* unless a special trust has been set up limiting its use to within that meeting. (Section 3.5).

Support and training that treasurers want

Some results of a survey by **Katie Frost, Community Fundraising Officer** (katief@quaker.org.uk; 020 7866 9508)

Soon after I was appointed to Quaker Communications and Fundraising, I contacted about twenty AM treasurers, LM treasurers and assistant treasurers by telephone to discuss what they found most challenging, what support and help they would like and how the Friends House team could serve them best. This helped me to understand the range of ways Friends are managing the very different needs of their meetings and work.



The quality of induction into the role can be patchy: some treasurers felt fully supported by the previous treasurer while others had taken on a system that was in some disarray. The Woodbrooke courses were seen as excellent in supporting new as well as existing treasurers. Some of those new to the role would like reassurance, perhaps through online support from a Woodbrooke trainer, that they are progressing with what they have learnt. People also expressed appreciation of the ongoing support from Frank Sharman.

There was some tension expressed between AM and LM treasurers, sometimes AMs viewed LMs as slow or inconsistent, and LMs perceived AMs as not understanding their needs. One solution to this has been found in both new and experienced AM and LM treasurers meeting together regularly, which can help resolve such matters and align working processes.

Other problems and creative solutions include:

- getting the meeting interested in financial matters – by writing a short summary and talking through to help build a sense of joint responsibility
- dealing with challenging situations and people, e.g. talking to meetings about legacy giving – the new legacy booklet 'Making a gift in your will' is helping with this
- coping with the volume of incoming cheques – by encouraging people to use direct interbank transfers.

Some meetings use job-sharing to recruit more treasurers and others support Friends into the treasurer's role by encouraging them to start as lettings clerk or assistant treasurer, to build confidence to take over later. It was suggested that we should have a leaflet to clarify and demystify the treasurer's role and list the help and support available.

Since the survey, the fundraising team have had an opportunity to work more closely with those treasurers who have contacted us following the launch of the new legacy booklet and those who attended the Annual Conference of Treasurers. We are looking forward to meeting and supporting all of you in the important work you do and very much appreciate the tremendous warmth and help you have given us as a new team.

Latest fundraising news Peaceworker Appeal

Look out for a new appeal being launched this autumn for Peace worker placements in the UK, Serbia, Burundi and the Quaker United Nations Office, Geneva.

This is a great opportunity for Meetings to learn more about the range of Quaker work being conducted in the world and the variety of ways we can all work for Peace.

Websites for more support

You are probably already familiar with **www.quaker.org.uk/treasurers** where we can find not only our own Quaker publications, including the handbooks for treasurers and trustees, but also off-site links to HMRC for advice about Gift Aid and Woodbrooke for information on courses.

Have you ever tried **www.acat.uk.com**, the site of the Association of Church Accountants and Treasurers? You can read all about it on this site. Especially useful – and freely available – are the slides from the July 2008 conference. These deal with: VAT as it affects charities, church safety, Gift Aid and the Charity Commission's work on public benefit.

At **www.charity-commission.gov.uk/investigations/sorp/sorp05docs.asp** is the 2008 2nd ed. of SORP2005, with thresholds updated and a new introduction for small charities. *Ed.*

Issue 2 copy date is 20 October – write to tom@heydeman.eclipse.co.uk