Treasurers' guidance sheets

to supplement the ACAT handbook

QUAKERS

Treasurers' guidance sheets to supplement the ACAT handbook

QUAKERS

Index

The headings for these supplementary guidance sheets for Quaker treasurers follow the titles of the ACAT handbook chapters. Please read the introduction first as this gives a brief overview of how to use these sheets as well as other information and resources that may be of help to local and area meeting treasurers.

cont'd overleaf

Administration sections:

Appendix

Treasurers' guidance sheets to supplement the ACAT handbook

Introduction

The primary source of reference for Quaker treasurers on legal and financial matters is the ACAT (Association of Church Accountants and Treasurers) handbook. These sheets offer supplementary guidance to be used in conjunction with the ACAT handbook. They replace the Quaker *Treasurer's handbook*, which has now been withdrawn.

Britain Yearly Meeting has a membership with ACAT covering area meeting (AM) treasurers, local meeting (LM) treasurers and one other person per AM. If you have not yet received the ACAT login details, please contact the secretary to Quaker Stewardship Committee on 020 7663 1161 or email qsc@quaker.org.uk. ACAT revises its handbook every three years and keeps the online version up to date for current best practice and regulatory requirements.

The ACAT handbook is in three sections – treasury, fundraising and administration – and in all there are 25 chapters. The guidance sheets for Quaker treasurers are structured as 25 supplements, each one mirroring the relevant chapter of the ACAT handbook. Each guidance sheet provides additional information in the form of the relevant sections of *Quaker faith & practice* as well as other information specific to the Quaker context. The appendix is a summary of abbreviations for Quaker organisations, for ease of reference.

The guidance sheets are written as an online resource, with links to relevant information on the BYM website and the websites of the two regulators, the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The layout of the guidance sheets for Quaker treasurers

Each sheet is laid out in the following way:

What is covered in the ACAT handbook

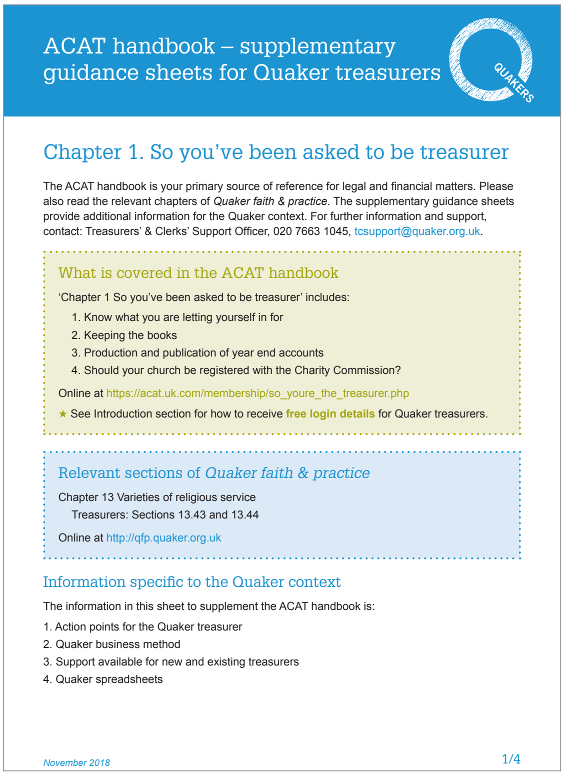
A summary of the content of each ACAT chapter

Relevant sections of *Quaker faith & practice*

A summary of the relevant sections of the 5th edition of *Quaker faith & practice*

Information specific to the Quaker context

Relevant information for Quaker treasurers



ACAT handbook – supplementary guidance sheets for Quaker treasurers

Chapter 1. So you've been asked to be treasurer

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

'Chapter 1 So you've been asked to be treasurer' includes:

1. Know what you are letting yourself in for
2. Keeping the books
3. Production and publication of year end accounts
4. Should your church be registered with the Charity Commission?

Online at https://acat.uk.com/membership/so_youre_the_treasurer.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 13 Varieties of religious service
Treasurers: Sections 13.43 and 13.44

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

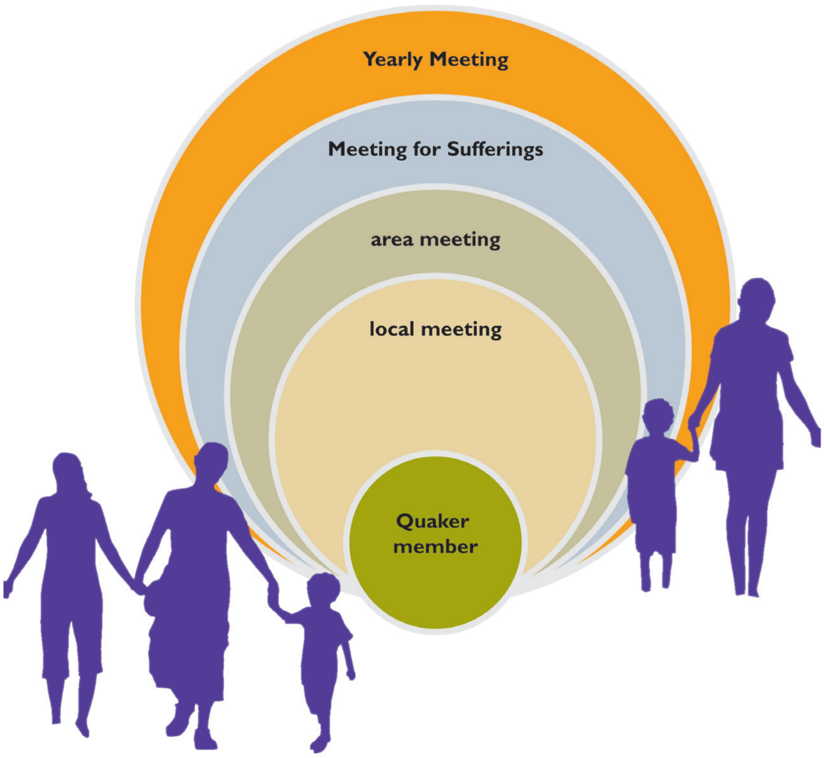
1. Action points for the Quaker treasurer
2. Quaker business method
3. Support available for new and existing treasurers
4. Quaker spreadsheets

November 2018 1/4

Some Quaker treasurers will be familiar with accounting practices and Quaker structures and business method. Others may be less familiar. The guidance sheets aim to help all Quaker treasurers, whatever their level of experience. Some of the guidance is relevant to treasurers of all Quaker organisations. Other content deals with the specific aspects of local and area meeting treasurership. Some of the guidance is by its nature technical, for instance the guidance sheet on reserves (surplus funds). For further information and support, please contact the Treasurers' and Clerks' Support Officer on 020 7063 1045 or at tcsupport@quaker.org.uk.

The structure of Quakers in Britain

The main structures of Britain Yearly Meeting are explained in the booklet *Quakers in Britain: A short guide to our structures*, available at www.quaker.org.uk/documents/quakers-in-britain---a-short-guide-to-our-structures-1.



Flow of financial information

The LM treasurer is appointed by the local meeting and maintains its financial records. The LM treasurer summarises the financial activities of their local meeting in a standard format and sends this to the AM treasurer. The AM treasurer is appointed by the area meeting and maintains the area meeting's own financial records. The AM treasurer collates the financial activities of the local meetings and the area meeting into a single set of accounts, accompanied by the trustees' annual report.

The area meeting is the charity unit for charity law in England and Wales and in Scotland. The area meeting annual report and accounts are considered and approved (signed) by the area meeting trustees and presented to area meeting in session for adoption.

In Scotland, all charities are registered with OSCR, the Office of the Scottish Charity Regulator, and are required to file their trustees' annual report and accounts with the regulator. In England and Wales, only larger religious charities are required to register with the Charity Commission for England and Wales and file their report and accounts with the regulator. For the definition of larger charities, see the ACAT handbook. Smaller religious charities in England and Wales are not required currently to register with the regulator (excepted status) or to file their report and accounts, unless requested to do so. This excepted status is expected to end by March 2021, when smaller religious charities will be required to register with the Charity Commission and file their report and accounts when registered.

Flow of funds (money)

Typically, Friends donate money to their local meeting to finance its day-to-day activities and maintain its meeting house, for instance to pay for internal redecoration and repairs. Friends may also donate to their area meeting to pay for its day-to-day activities and perhaps to pay for external repairs and improvements to meeting houses in the care of the area meeting.

Finally, Friends may donate money to Britain Yearly Meeting (BYM) – the central organisation that supports Quaker meetings and works with and on behalf of Quakers in Britain to put our faith into action – either directly or through their local or area meeting.

The treasurer/collector's first responsibility is to collect for the needs of their local and area meeting. They should also support the call for contributions for Quaker work that is undertaken centrally by Britain Yearly Meeting – these contributions to our national work will be decided at a local or area meeting business meeting.

Sustainability

Sustainability is a concern of BYM, which made a commitment in 2011 to become a sustainable community, so as to reduce the risks associated with climate change and an unsustainable consumer-led lifestyle. BYM has provided guidance on sustainability to Friends since that time. Sustainability is also a concern of area meetings and trustees. LM and AM treasurers have a role to play in supporting Friends in this concern.

These guidance sheets consider sustainability in a number of contexts: how an area meeting maintains and improves its meeting houses and other properties, how it invests its funds, how it holds reserves, and how it reports its actions on sustainability in its annual reports and accounts.

Feedback from Friends

Feedback from Friends is welcome on the use of the guidance sheets and on suggestions for updates and amendments to the sheets. Please contact the secretary to Quaker Stewardship Committee on 020 7663 1161 or email qsc@quaker.org.uk.

Chapter 1. So you've been asked to be treasurer

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 1 'So you've been asked to be treasurer' includes:

1. Know what you are letting yourself in for
2. Keeping the books
3. Production and publication of year-end accounts
4. Should your church be registered with the Charity Commission?

Online at https://acat.uk.com/membership/so_youre_the_treasurer.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 13 'Varieties of religious service'

Treasurers: sections 13.43 and 13.44

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Quaker business method
3. Support available for new and existing treasurers
4. Quaker spreadsheets.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 1, *Qf&p* 13.43, 13.44 and chapter 14. If you are in Scotland read the ACAT handbook chapter 25 'Charities in Scotland' (https://acat.uk.com/membership/charities_in_scotland.php).
- If you are new to the role (or if you haven't read it before), set aside time to read through the whole ACAT handbook, and consider whether you might benefit from training.
- Read Quaker Stewardship Committee's *Advices & queries on Quaker stewardship* (www.quaker.org.uk/documents/advices-queries-for-stewardship-2015), which aims to help meetings consider financial matters.
- Do a data audit (www.quaker.org.uk/documents/guide-to-data-audit-2018) or review the existing audit to familiarise yourself with the various accounts. Look at a previous set of annual accounts, and if possible have a handover meeting with the previous treasurer.
- Check for local and area meeting financial processes or policies. For example, is there a specific set of spreadsheet headers or a preferred way to keep documents (all digital or keeping the physical receipts) that would help with the production of the annual accounts?
- Have a shared, secure cloud-based storage system for accounts and all financial paperwork, or at least ensure that regular backups are made and given to another member of the finance committee.
- Keep all financial papers securely, ensuring that they are only accessed by authorised persons.
- Meet regularly with other treasurers and collectors to share good practice, both in your area meeting and your geographical area.

2. Quaker business method

Our clear minutes and record-keeping ensure that some internal controls are automatic; developing procedures for the remainder should not be onerous.

Our Quaker testimonies to simplicity and integrity can be helpful when setting up systems or deciding what needs to be kept.

Treasurers are appointed by the body for which they act, usually for a period of three years. This does not need to be a single-person role: a team of treasurers can work well, with either each person sharing the tasks and responsibility equally or having a specified set of tasks.

3. Support available for new and existing treasurers

- The **Treasurers' & Clerks' Support Officer** is the first point of contact for treasurers' support at Friends House: phone 020 7663 1045 or email tcsupport@quaker.org.uk.
- The **treasurers' webpage** at www.quaker.org.uk contains information about resources, support and training for Quaker treasurers, plus many documents to download or print out: www.quaker.org.uk/treasurers.

- **Quaker Stewardship Committee** (QSC) offers advice and support to area meeting treasurers in various ways. Visit www.quaker.org.uk/qsc to find out more. To contact a member of QSC, phone 020 7663 1161 or email qsc@quaker.org.uk.
- ***Trustees' & Treasurers' News*** is produced by QSC and sent out three times a year. You can find it at www.quaker.org.uk/treasurers or contact the Treasurers' & Clerks' Support Officer to subscribe to it by email or post.
- **Training** is available from Woodbrooke (www.woodbrooke.org.uk, Quaker-specific training) and ACAT (www.acat.uk.com, general church treasurer training).
- There is an **annual conference for Quaker treasurers**, which usually includes workshops and inspiration as well as the chance to meet other treasurers, share good practice and hear about the finances of Britain Yearly Meeting. See www.quaker.org.uk/treasurers.
- Britain Yearly Meeting sends out a **contributions pack** each year containing materials to help you make an appeal for contributions to support our central work. Contact the Treasurers' & Clerks' Support Officer for more information or visit www.quaker.org.uk/contributions.
- All area meeting treasurers are sent **quarterly reports** on contributions made by their area meeting to Britain Yearly Meeting. The reports include contributions made directly to BYM by individuals. For more information, contact the Grants & Contributions Support Officer on 020 7663 1015 or at contributions@quaker.org.uk.
- Britain Yearly Meeting provides **records retention guidance** at www.quaker.org.uk/records, which covers items such as minutes of finance and property committee meetings, employment records, and other financial documents.
- In addition to the treasurers' handbook and training courses, ACAT offers an annual conference and specialised advice via email or phone: visit www.acat.uk.com to find out more.
- If the area meeting is considering registering as a charity, there is a full chapter in the ACAT handbook (https://acat.uk.com/membership/registration_england_wales.php) and more information in that chapter's accompanying Quaker supplementary guidance sheet.

4. Quaker spreadsheets

Quaker-specific Excel spreadsheets exist to help treasurers with their bookkeeping tasks. These can be downloaded at www.quaker.org.uk/treasurers and include demo files and online training videos. Technical support from Quaker volunteers is available if required.

Their appearance and use mirror manual books. You don't need to be familiar with spreadsheets to be able to use them as they come with full instructions and are straightforward to use. The examples provided in their various demo files are excellent and are worth studying even if you do not propose to use a computer for your own bookkeeping.

As they work in the same way as manual books, you still need to understand basic bookkeeping first, either from a treasurers’ course or from other sources. Some practice first with a manual system provides the best foundation.

Three spreadsheets are available for Quaker treasurers, covering the major tasks facing treasurers:

- the cash book spreadsheet
- the end-of-year spreadsheet
- the AM collation spreadsheet.

The cash book and end-of-year spreadsheets can be used by LM treasurers and AM and other Quaker treasurers to keep the accounts of their specific funds. The collation spreadsheet provides a skeleton for the AM report and accounts on the accruals basis. The spreadsheet is not necessarily the best way to produce the report and accounts on the receipts and payments basis.

Chapter 2. Bookkeeping

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers’ & Clerks’ Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 2 ‘Bookkeeping’ includes:

1. Bookkeeping: the basics
2. Put transactions through bank account
3. Cash books
4. Documentation
5. Cash book: a practical example
6. Bank reconciliation
7. Accounts preparation

Appendix 1 – Cash book
Appendix 2 – Bank reconciliation
Appendix 3 – Financial report.

Online at https://acat.uk.com/membership/book_keeping.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 13 ‘Varieties of religious service’
Treasurers: Sections 13.43 and 13.44

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Quaker spreadsheets
3. Charity accounting packages
4. Record-keeping.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 2 and *Qf&p* 13.43, 13.44 and chapter 14.
- If you are new to the role (or if you haven't read it before), set aside time to read through the whole ACAT handbook and consider whether you might benefit from training.
  Training is available from Woodbrooke (www.woodbrooke.org.uk, Quaker-specific training) and ACAT (www.acat.uk.com, general church treasurer training).
- Read Quaker Stewardship Committee's (QSC) *Advices & queries on Quaker stewardship* (www.quaker.org.uk/documents/advices-queries-for-stewardship-2015), which aims to help meetings consider financial matters.
- Do a data audit (www.quaker.org.uk/documents/guide-to-data-audit-2018) or review the existing audit to familiarise yourself with the various accounts. Look at a previous set of annual accounts, and if possible have a handover meeting with the previous treasurer.
- Check for local and area meeting financial processes or policies. For example, is there a specific set of spreadsheet headers or a preferred way to keep documents (all digital or keeping the physical receipts) that would help with the production of the annual accounts?
- Have a shared, secure cloud-based storage system for accounts and all financial paperwork, or at least ensure that regular backups are made and given to another member of the finance committee.
- Keep all financial papers securely, ensuring that they are only accessed by authorised persons.
- Meet regularly with other treasurers and collectors to share good practice, both in your area meeting and your geographical area.

While there are Quaker-specific spreadsheets, you don't need to have a computer to be a treasurer. A manual or paper cash book will be fine for most simple accounts.

Although not necessary for all routine payments, most expenditures should be minuted from the committee or business meeting authorising the spending, or be listed in a general financial policy. There should be clear documentation showing why the money was spent, and creating a paper trail. Show the cheque or payment being made and then the monies leaving the bank account, along with any receipt.

2. Quaker spreadsheets

Quaker-specific Excel spreadsheets exist to help treasurers with their bookkeeping tasks. These can be downloaded at www.quaker.org.uk/treasurers and include demo files and online training videos. Technical support from Quaker volunteers is available if required.

Their appearance and use mirror manual books. You don't need to be familiar with spreadsheets to be able to use them as they come with full instructions and are straightforward to use. The examples provided in their various demo files are excellent and are worth studying even if you do not propose to use a computer for your own bookkeeping.

As they work in the same way as manual books, you still need to understand basic bookkeeping first, either from a treasurers' course or from other sources. Some practice first with a manual system provides the best foundation.

Three spreadsheets are available for Quaker treasurers, covering the major tasks facing treasurers:

- recording receipts and payments
- creating the annual report
- collating the area meeting accounts.

Each spreadsheet has a user guide to explain how to install, customise, and use it. The first two spreadsheets were designed for local meeting treasurers, but are equally suitable for treasurers of area meetings and other Quaker bodies.

Cash book spreadsheet

This enables the treasurer to record all the receipts and payments, replacing a manual cash book, and providing automatic totalling and bank reconciliation. It can automate the handling of claims for Gift Aid, and it can summarise the contributions from each donor. You can customise the spreadsheet for your meeting using the categories of receipts and payments you need. There are two versions of the spreadsheet – one is empty and ready for your data, and the other includes demonstration data to show how it looks when completed.

End-of-year spreadsheet

This collects up the totals from the cash book and converts them into the annual report and accounts for presentation to the meeting. It includes sample notes to simplify and speed up the process. As before, there are two versions of the spreadsheet – one empty and the other with demonstration data.
★ *Please note that the format of the annual report and accounts is designed to match the requirements of the Charity Commission's SORP 2005 and not the current SORP.*

AM collation spreadsheet

This collects up the accounts of all the local meetings in an area meeting and brings them together in a process known as collation. This gives an overall view of the finances of the whole of the area meeting. It also provides the managing trustees with a skeleton for their annual report, including notes, accounting policies and background legal information. There are two sizes: one holds up to 12 local meetings and the other up to 20.

Availability

All these files are distributed free for Quaker treasurers to use for your accounts. Support is available, so you will be able to ask for help if you have any problems with installing or using these files. Versions of the spreadsheets are available for Microsoft Excel and for OpenOffice or LibreOffice. They can be downloaded from the treasurers' web page at www.quaker.org.uk/treasurers. The technical support email for the spreadsheets is treasurersIT@quaker.org.uk.

3. Charity accounting packages

In addition to the above spreadsheets, some area meetings have started to use financial software. There are two main ways to do this:

One is that the area meeting bookkeeper or treasurer does all the input, reconciles the bank statements and manages all bank accounts. The local treasurers keep a cheque book and send an annotated bank statement, or list of cheques, to the bookkeeper and area meeting treasurer, who may also pay some bills direct.

Alternatively, the local meeting treasurers continue to keep their cash books as before, using spreadsheets or otherwise, but send their list of transactions regularly to the area meeting bookkeeper for entry into the accounting package's system.

This may seem like duplication, but it has the enormous advantage that the end-of-year reports for the area and local meetings can be produced automatically with no additional work. These packages can also deal with Gift Aid claims and produce interim financial reports whenever they are needed.
★ *Treasurers working in this way would not need the End-of-Year or AM Collation spreadsheets.*

In all cases, be sure to print out and keep paper copies, both for legal reasons and in case your successor is not a computer user.

If your area meeting is considering using an accounting package, contact your QSC Link Friend, who will be able to give you the most up-to-date advice. To find your QSC Link Friend, phone 020 7663 1161 or email qsc@quaker.org.uk.

4. Record-keeping

Keeping records is an important part of bookkeeping. Helpful documents giving the length of time that documents should be kept are available at www.quaker.org.uk/records:

- Document retention guidance
- Records retention schedule.

While compliance is important, effective record-keeping ensures that the valuable information is not lost among unnecessarily full archives, preventing duplication of effort and meaning that records are available for analysis or to support the activities and functions of your charitable objectives.

Further advice is available from professional accountants or the appropriate legal body for specific types of items. A free toolkit to work through all records within the area meeting is available from the Charity Finance Group (CFG) at www.voluntarysectorarchives.org.uk/resources/for-charities.

Chapter 3. Internal controls

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 3 'Internal controls' includes:

1. What are internal controls?
2. Receipts
3. Payments
4. Assets, property and loans
5. Security
6. Postscript.

Online at https://acat.uk.com/membership/internal_controls.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Managing risk
3. Handling money.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 3 and *Qf&p* chapter 14.
- Be aware of the need for security for records and where that overlaps with data protection. See chapter 21 'Data protection' of the ACAT handbook and the updated General Data Protection Regulation (GDPR) guidance at www.quaker.org.uk/data-safety.
- Look for training and support for any member of your team who might need this – Woodbrooke runs a Quaker treasurer course, while ACAT provides online and day courses.
- Any procedures should ensure clear minutes of authorisation are required for any changes, expenditure, etc., and give guidance on how records should be kept, maintained and then destroyed.
- Have a shared, secure cloud-based storage system for accounts and all financial information, or at least ensure that regular backups are made and given to another member of the finance committee.
- Meet regularly with other treasurers and collectors to share good practice, both in your area meeting and geographical area.

2. Managing risk

Having good internal controls does not imply any lack of trust, nor does it call into question the honesty or integrity of anyone. Rather, good controls can serve as a protection from any risk of possible misuse or even misappropriation of meeting funds, and will also protect the treasurers, area meetings trustees and others from any possible charge of neglecting their legal duty to take proper care of meeting funds. The Charity Commission provides guidance at www.gov.uk/government/publications/internal-financial-controls-for-charities-cc8, which includes a checklist.

Fraud can happen in Quaker meetings – read the *A vulnerable victim?* report at www.quaker.org.uk/documents/a_vulnerable_victim or request it from qsc@quaker.org.uk. See www.quaker.org.uk/treasurers for information on how to protect your meeting from fraud.

Quaker structures – our structure of AM, AM trustees and LMs is complex for a charity of the size of an AM. This risk is mitigated by careful oversight of each role-holders' work and the triennial terms for role-holders. When a role-holder changes, a good handover is essential.

Quaker business method – our clear minutes and record-keeping ensure that some internal controls are automatic; developing procedures for the remainder should not be onerous.

3. Handling money

Ensure you have guidance on good governance from your trustees and Quaker Stewardship Committee (QSC), and that everyone handling money has read the area meeting's cash-handling policy and had training about how to handle the meeting's money. This includes all money from coins in the collection bowl, through petty cash, to larger amounts of income and expenditure and dealing with investments.

Chapter 4. Budgets

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 4 'Budgets' includes:

1. Budgets are part of stewardship
2. What is a budget?
3. Why prepare budgets?
4. The budget start point
5. Who should prepare the budget?
6. The budget period
7. Budget detail
8. Preparing the income budget
9. Preparing the expenditure budget
10. Presentation and approval
11. Using the budget.

Online at https://acat.uk.com/membership/budgets.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Helping the meeting to think about how to use its money
3. Who budgets for what?
4. The annual call for contributions.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 4 and *Qf&p* chapter 14. Also see the ACAT handbook chapter 14 'Stewardship' (https://acat.uk.com/membership/stewardship.php).
- If you are a new treasurer, or returning after some time away, ask each committee or each role-holder, such as warden, what budget they are used to working to, or if they take each decision to business meeting. If you are an AM treasurer, check that LM treasurers are operating budgets effectively.
- Look at previous years' accounts to start to create a record of who spent what. Check if there are any planned activities or other expenditure that will need to be planned for.

2. Helping the meeting to think about how to use its money

Remember! It is not the treasurer's job to take decisions about the meeting's money, but rather to inform Friends so that they can decide for themselves. The treasurer informs and advises; the meeting considers and discerns; the trustees formally authorise.

Quaker Stewardship Committee issued a set of *Advices & queries on Quaker stewardship* to help meetings consider the underlying issues, as well as some specific issues, when thinking about financial matters – www.quaker.org.uk/documents/advices-queries-for-stewardship-2015. ACAT handbook chapter 4 has some good questions that could be considered by the whole meeting, not just the treasurer or finance team.

Encouraging the whole meeting to consider, "How do we want to develop our meeting's ministry?" can be a good starting point. Discern what you feel corporately led to do, and then work out how to do it. Remember that moving forward in faith needs to be balanced with planning and good stewardship.

Information on central work may be useful when encouraging Friends to give money and budgeting donations from local meeting to both area meeting and Britain Yearly Meeting (BYM). BYM sends meetings a contributions pack each year containing materials to help you make an appeal for contributions to support our central work. Contact the Treasurers' & Clerks' Support Officer for more information or visit www.quaker.org.uk/contributions.

3. Who budgets for what?

Area meeting is the governing body for local meetings and requires money from its local meetings to cover expenditure that benefits the whole area meeting. This can be requested through a set quota or a contribution system. Knowing what monies will be coming in can make planning much simpler at all levels.

Examining and sharing budgets at area meeting level can enable the gathered treasurers and other finance committee members to consider if combining services or sharing supplies can be a way to reduce expenditure and help spread budgeting necessities over the full area rather than duplicating costs at a local and area level.

Quaker work cannot be done without adequate resources. Some of these resources already exist within the local meeting, for example the local meeting itself and the talents and skills of Friends. Others will need to be financed. Once a budget has been agreed, it is important to develop a fundraising strategy at an early stage.

Handling the money won't necessarily be your responsibility as treasurer, but the collector may ask for help and advice. A collector can be appointed to take responsibility for the monies raised.

4. The annual call for contributions

This is an opportunity to tell all members about the work that has been discerned at local, area and yearly meeting level, discuss projects that are being considered, and issue a reminder that the everyday activities need to be funded too.

Consider how the money collected last year has improved life for members during that year. How many have been sent on courses or received training, and what events have been organised? Try to make the lines on the budget spreadsheet reflect the many different activities and resources that have enriched the worshipping community.

Britain Yearly Meeting staff give support by producing a contributions pack for treasurers and collectors to use to encourage contributions from their meeting. Contact the Treasurers' & Clerks' Support Officer for more information or visit www.quaker.org.uk/contributions.

> "Do you give a right proportion of your money to support Quaker work?" *Advices & queries* 20

This query is not an easy one to answer. More questions arise from it. At the Annual Conference of Treasurers in 2008, Beth Allen gave a talk entitled 'Holding our money in the light'. In it she encouraged us to view the consideration of budgets and financial planning not as 'counting beans' but instead as 'planting seeds', which need regular oversight as well as feeding/watering.

- How do I know enough to make an informed judgement about how much is needed and how to allocate my giving between local meeting, area meeting, yearly meeting and other Quaker funds?
- How can I assess what is a "right proportion" for me to give to the total work of the Society?
- What are the means by which, individually and corporately, contributions can be made to the Society's work?
- In particular, how is the contribution material/schedule to be circulated?

Quotas are only a rough guide: it is important to remember that not everyone can give the full amount, while others will be able to give more. The real ask is not for Friends to each give an equal amount, but to give with equal generosity.

> "I don't know whether you realise how good you are in the role of treasurer. When you agreed to take it the chances are you weren't told how multifaceted the job is; nor how Friends look up to you as a lynchpin, nor how crucial your role is in the important relationships between the Friends in your meeting and the corporate work and life of your local meeting, your area meeting and the centrally managed work of BYM."

Jonathan Fox (as clerk of Trustees, BYM 2012)

Chapter 5. Receipts and payments

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 5 'Receipts and payments basis for accounts' includes:

1. The principles set out by law
2. Determination of right to use the receipts and payments basis
3. Format and contents
4. Receipts and payments summary
5. Statement of assets and liabilities
6. Notes to the account and statement
7. Authorisation
8. Further guidance and examples.

Online at https://acat.uk.com/membership/r_and_p.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Constitution and functions: Sections 4.10 parts l & m & 4.33

Chapter 14 'Stewardship of our material resources'

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Receipts and payments accounts in the context of the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 5. Also see ACAT handbook chapter 10 'Annual report' (https://acat.uk.com/membership/annual_report.php).
- Read *Qf&p* 4.10 parts l & m, 4.33 g, chapter 14.
- Read the Charity Commission R&P pack CC16 www.gov.uk/government/collections/receipts-and-payments-accounts-pack-cc16, and templates www.gov.uk/government/publications/charity-accounting-templates-receipts-and-payments-accounts.
- Look at the last couple of years' AM accounts. (LM accounts commonly use the receipts and payments basis. LM accounts are not required to be subject to independent examination, but can be if Friends so wish.) Check whether the AM accounts follow the accruals (income and expenditure) basis or the receipts and payments basis.
- Decide if receipts and payment accounts are applicable. Accounts on the accruals basis require more complex disclosures than those on the receipts and payments basis

2. Receipts and payments accounts in the context of the Quaker meeting

The receipts and payments basis is available only to unincorporated (non-company) charities.

Remember that the standard Quaker 'charity' is the area meeting, with all its local meeting accounts collated into one total.

If you are using the receipts and payments basis be ready to switch to accruals basis if, for instance, you have a successful appeal for your building repairs or a legacy that brings your income for the year over the limit. An area meeting that qualifies to apply the receipts and payments basis should do so, to benefit from the simpler reporting requirement.

To facilitate compliance with the law, as well as to ease the keeping of accounts in accordance with Quaker openness and honesty, area meetings have generally adopted governing documents setting out their objects and how they will achieve them. If in doubt, consult your governing document to ensure that your accounts and record-keeping meet those legal requirements.

Please check the ACAT website for the most up-to-date advice on thresholds, or take appropriate professional advice.

Although not necessary for all routine payments, most expenditure should be minuted by the committee or business meeting authorising the spending, or be listed in a general financial policy. There should be clear documentation showing why the money was spent, and creating an audit trail. Show the cheque or payment being made and then the monies leaving the bank account, along with any receipt.

Chapter 6. Basic accruals accounts

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 6 'Basic accruals accounts' includes:

1. The requirements of charity law
2. Does the accruals basis apply?
3. General principles for accruals accounts under SORP 2015
4. Fund administration and accountability
5. The SORP's modules
6. Statement of financial activities (SoFA)
7. Balance sheet
8. Accounting policies and other accounts notes
9. Summary financial information and statements
10. Cash flow statement
11. Accounts approval and signing
12. Model accounts and templates

Appendix – SoFA categories.

Online at https://acat.uk.com/membership/accruals_accounts.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Constitution and functions: Sections 4.32, 4.33 g, 4.10 parts l & m

Chapter 14 'Stewardship of our material resources'

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Accruals accounts in the context of the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 6. Also see ACAT handbook chapter 10 ‘Annual Report’ (https://acat.uk.com/membership/annual_report.php).
- Read *Qf&p* 4.10 parts l & m, 4.32, 4.33 g, chapter 14.
- Read Charities SORP – guidance for charity accounting www.charitysorp.org.
- Read Charity Commission CC17 (non-company pack) www.gov.uk/government/collections/accruals-accounts-pack-cc17-sorp-frs-102.
- Read Charity Commission CC17 (company pack) www.gov.uk/government/collections/accruals-accounts-pack-cc17-sorp-frs-102-for-charitable-companies.
- Look at the last couple of years’ accounts and check whether they follow the Income & Expenditure (Accruals) basis or the Receipts & Payments basis.

2. Accruals accounts in the context of the Quaker meeting

Remember that the standard Quaker ‘charity’ is the area meeting, with all its local meeting accounts collated into one total.

To facilitate compliance with the law, as well as to ease the keeping of accounts in accordance with Quaker openness and honesty, area meetings have generally adopted governing documents setting out their objects and how they will achieve them. If in doubt, consult your governing document to ensure that your accounts and record-keeping meet your legal requirements.

Please check the ACAT website for the most up-to-date advice on thresholds for accounts on the accruals basis, or take appropriate professional advice.

When considering accruals accounts, bear the following in mind for material (significant) items at the year end:

- the most common debtors are tenants or hirers of the meeting house, usually identified by listing the details of all unpaid invoices
- another debtor may be tax reclaimed from HM Revenue & Customs but not yet received
- insurance premiums are usually paid in advance. They are prepayments, not debtors, but the two are usually grouped together as ‘Debtors & Prepayments’. However, as the insurance premium varies little from year to year, you may decide not to accrue it, as with gas bills, etc.
- services such as gas, electricity and telephone are usually paid in arrears. It is best not to treat these as creditors but to account for them only when invoices are received (provided that the treatment is consistent so that there are not three bills charged in one year and five in the next)
- income from investments is usually received in arrears but is unpredictable (except from fixed-interest investments) and therefore best accounted for only when it is received and not accrued

- creditors and accruals will typically arise from: goods and services supplied to the meeting and for which payment is outstanding; travel and other expenses incurred but not yet reimbursed; loans to be repaid
- amounts received ‘As Agent’ and not passed on at the end of the year must be recorded as ‘not yet passed on’ in the ‘As Agent’ note to the accounts, but not included in the balance sheet as an asset or a creditor
- accruals accounts should include explanatory notes to expand on the information shown in the accounts and to give explanations that cannot normally be included in the Statement of Financial Activities (SOFA) or the balance sheet.

A summarised report and accounts can be provided for the meeting, provided that the full legal version exists and is available to the public.

To ensure clarity and accurate costings, all donations in kind – i.e. where gifts and talents are used rather than a cash donation – should be valued and included in the notes to the accounts. For example, if notes about donations of goods or services are not included, the meeting may have a false optimism about costs. A newsletter that had long been printed for free might appear to have cost only £200; if this free service were to end, and £600 for printing be added to the costs, Friends might be startled and puzzled by the huge increase.

You may also need notes for the interest rate applicable and the terms of repayment where a meeting has loans outstanding to banks or to other Quaker funds.

Chapter 7. VAT

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 7 'VAT' includes:

1. How does VAT affect churches?
2. The crucial test
3. Registration considerations
4. VAT categories
5. Typical church income sources
6. Relief available on expenditure
7. Reclaiming VAT on expenditure

Appendix 1 – Subsidiary Companies
Appendix 2 – Listed Places Of Worship Grant Scheme
Appendix 3 – Memorials Grant Scheme
Appendix 4 – Declaration of Eligibility
Appendix 5 – Hire of Premises.

Online at https://acat.uk.com/membership/vat.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 13 'Varieties of religious service'
Treasurers: Sections 13.43 and 13.44

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. VAT in the context of the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 7.
- Read Meeting Houses Funds page at www.quaker.org.uk/our-work/grant-making/meeting-houses-fund.

2. VAT in the context of the Quaker meeting

While Quaker treasurers may wonder if the effort to ensure all VAT concessions and exceptions listed in the ACAT handbook are used is financially worthwhile, the amounts can add up to a reasonable total. Take advice from other local treasurers and share ways to ensure that the appropriate amount of tax is paid.

VAT forms a significant element in the cost of any building work. There are now only a few concessions available to meetings, but they should be noted and used. As a general rule:

- VAT at the standard rate is payable on repairs, alterations and improvements carried out by a contractor registered for VAT except for the provision of certain facilities for the disabled, when the work will be zero-rated.
- There may be grants available from the Listed Places of Worship (LPS) Grant Scheme to cover part of the VAT incurred in making repairs to listed buildings that are used for worship. The scheme includes the cost of repairs to the fabric of the building and the associated professional fees. The total available is limited and the terms on which this is offered change from time to time, so see www.lpwscheme.org.uk or phone 0845 601 5945 for details.
- The cost of construction of a new meeting house that is physically separate from any existing building is also zero-rated.

All these concessions apply to building work and some also to the associated fees for architects and other consultants. In order to establish entitlement to zero-rating where it is available, a certificate must be issued to the contractor before work starts. Consult your local HMRC office before any major building works or alterations are undertaken.

Where the rental income from all the area meeting’s properties exceeds the VAT threshold (£85,000 for 2018/19 and 2019/20), will the area meeting need to charge VAT?

The short answer is ‘no’, but a fuller explanation is useful. We must distinguish here between letting of surplus space and hiring. The letting of surplus space is treated as rent for the supply of land and, as such, is exempt from VAT. The hiring of rooms for meetings or conferences is also exempt from VAT, as the hiring is considered to be the supply of land by the charity. There is a grey area where the hiring includes the provision of services, such as catering and the use of a laptop and screen. Potentially, such hiring could lead to a charge for VAT at the standard rate, as is the case for a room hire with services at a hotel. In the case of an area meeting, any catering is likely to be incidental to the main use of the room, for instance for training or personal development. In these circumstances, the room hire is likely to be exempt from VAT.

Friends House Hospitality, the Quaker hospitality company at Friends House, provides room hire with catering and IT services on a daily delegate rate. The provision of services is central to the provision of room hire. Accordingly, the daily delegate rates include VAT. Further guidance on VAT and the hiring of rooms is available in Section 5.11 of HMRC VAT notice 701/1 www.gov.uk/guidance/how-vat-affects-charities-notice-7011 and should be consulted for more detail.

Treasurers' guidance sheets to supplement the ACAT handbook

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Chapter 8. Employment issues

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 8 'Employment' issues includes:

1. Acknowledgement
2. Who is an employee?
3. Employed or self-employed?
4. Discrimination
5. Terms & conditions of employment
6. Termination of employment
7. Time off & working hours
8. ACAS code of practice – disciplinary and grievance procedures
9. National minimum wage and national living wage
10. PAYE and National Insurance
11. Pensions.

Online at https://acat.uk.com/membership/employment_issues.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 13, section 13.36: Employment of wardens

Chapter 15, section 15.19: Trustees' responsibility for the employment of staff

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Employment in the context of the Quaker meeting
3. Wardens.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 8, and *Qf&p* 13.36–40, 15.19.
- Read the ACAS guide to National Minimum Wage www.acas.org.uk/index.aspx?articleid=1902.
- Read National Minimum Wage: Living Accommodation www.gov.uk/national-minimum-wage-accommodation.
- Read NCVO treating volunteers as employees guide https://knowhownonprofit.org/your-team/volunteers/keeping/treating.
- Read Lancaster Meeting Living Wage Campaign www.lancsquakers.org.uk/livingwagecampaign.php.

2. Employment in the context of the Quaker meeting

Employment matters are strictly speaking the responsibility of trustees, not treasurers. Of course, some treasurers are also trustees – more detail is available in the trustees' handbook.

Remember that all employee contracts should state that the area meeting (as 'the charity') is the employer. This may mean that across the area meeting there are enough employees that the area meeting needs to consider additional health & safety issues or pensions. Please check the ACAT handbook or take appropriate professional advice.

Care should be taken over cleaners' and gardeners' contracts and whether they should be employees or contractors. Having them sign a waiver to say that they are responsible for their own National Insurance and tax does not mean that HMRC will consider them self-employed if the meeting's expectations are of set hours, week-in and week-out throughout a year.

The employers page at www.quaker.org.uk/employers has a template for a variety of Human Resources documents, as well as guides on how to manage staff appropriately.

3. Wardens

Wardenship is often a form of ministry, not just an employment or volunteering opportunity. 'Voluntary Worker' was the previous title given to wardens, but this is no longer recommended. Instead, wardens should be employed or volunteers – with careful consideration given to ensuring that there is no confusion over the boundaries of this role.

There is a wardenship e-group that gives practical guidance on ways to manage workers and volunteers. Britain Yearly Meeting staff have produced a Quaker employers resource – see www.quaker.org.uk/employers – and are available to give support: 020 7663 1007, wardenship@quaker.org.uk.

Quaker Life, in partnership with Woodbrooke, runs training courses for employers and employees, and runs an annual 'Managing our Meeting Houses' course.

See www.quaker.org.uk/employers and www.quaker.org.uk/trustees for more information on support, resources and training in this area.

Chapter 9. Reserves

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 9 'Reserves' includes:

1. Trustees' responsibilities to use charity funds
2. Why hold reserves?
3. What constitutes reserves?
4. Trustees' duties
5. The policy and its assessment
6. Summary.

Online at https://acat.uk.com/membership/reserves.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Spending on our responsibilities and concerns: Section 14.07

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Considerations regarding a reserves policy
3. Who holds reserves and why
4. How to set the policy
5. An example showing how to apply the policy
6. How to report the policy
7. An example policy report
8. Process to apply the policy.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 9 and *Qf&p* 14.07.
- Read the QSC *How to set an area meeting reserves policy* www.quaker.org.uk/documents/reserves-policy-ams-09-2016.
- Read the Charity Commission's guidance on reserves (CC19) www.gov.uk/government/publications/charities-and-reserves-cc19 at www.gov.uk/guidance/charity-financial-reserves.
- Read the OSCR Charity Reserves Factsheet at www.oscr.org.uk/guidance-and-forms/charity-reserves-factsheet.
- QSC issued a set of *Advices & queries on Quaker stewardship* www.quaker.org.uk/documents/advices-queries-for-stewardship-2015 to help meetings consider the underlying issues, as well as some specific issues, when thinking about financial matters.

2. Considerations regarding a reserves policy

Remember! It is not the treasurer's job to take decisions about the meeting's money, but rather to inform Friends so that they can decide for themselves. The treasurer informs and advises; the meeting considers and discerns; the trustees authorise formally.

It can be tricky to balance the concerns of those Friends who feel that money should be kept as a guarantee against hard times with those who feel that 'God will provide'. An agreed reserves policy can help to shorten these discussions, guide discernment, and is a legal requirement.

Remember that moving forward in faith needs to be balanced with planning and good stewardship.

Local meeting treasurers need to be aware of the area meeting reserves policy, while area meeting treasurers should help implement it. The whole area meeting should discern it. AMs (as a whole, not just trustees) need to engage with LMs over how the AM reserves policy affects LMs, and LM treasurers need to actively work to ensure that LMs implement the reserves policy. The management of reserves can cause huge acrimony within AMs, especially if one or two LMs have huge reserves and other LMs cannot make ends meet.

3. Who holds reserves and why

Small committees should not need any reserves. Larger committees, projects or branches may, and local meetings may want to hold a small amount to cover ongoing costs, especially if regular outgoings do not match irregular donations.

4. How to set the policy

- Think through why reserves might be required. Where will costs occur in future that cannot reasonably be covered from future income?
- Decide how to deal with surplus/deficit.

- Write this down as your policy.

A possible list of costs for which reserves could be held would be:

- property: known major defects and agreed major projects
- property: major repair variation
- future income uncertainty
- cash flow fluctuation
- other major agreed projects, including those directed at sustainability.

Whilst the reserves policy covers unrestricted funds, best practice now is for trustees to also consider restricted funds to make sure they are likewise expended in a timely fashion after receipt. The holding of reserves is not just a financial matter, but one which takes into full account the question of sustainability.

5. An example showing how to apply the policy

Annually quantify each cost element:	**£K**
Known property defects	20
Major repairs – 5% insurance value	225
Future income and cash flow fluctuation – 6 months of expenditure	90
Total reserves required	***335***

Compare to unrestricted funds:	**£K**
Unrestricted funds	900
Less: total reserves required	(335)
Surplus funds	***565***

There are several ways of dealing with surplus funds. Funds may be designated, if this can be justified or spent on financial or programme-related investments. Financial investment is made to yield the best financial return, within the level of risk which is considered to be acceptable and subject to ethical investment criteria. Programme-related investment is made to promote the charitable aims of the organisation and also provide some financial return. Funds can be invested in the local meeting houses or donated to another area meeting or to Britain Yearly Meeting. Trustees may decide to follow a combination of these options to reduce surplus funds to the level of funds required under the reserves policy.

6. How to report the policy

- The policy must be included in the trustees’ annual report, for those area meetings that prepare accounts on the accruals basis.
- State the policy, in both words and figures.

- State the level of unrestricted reserves and explain how this was derived from total unrestricted funds.
- State the surplus/deficit amount and the plan to deal with this.

7. An example policy report

Reserves: The policy of X Area Meeting is to hold reserves for future major repairs, estimated at 7.5% of the insurance value of the buildings plus a reserve for future income uncertainty and cash flow fluctuations, estimated at six months of expenditure.

The total reserves required are £335K. Total unrestricted funds are £4million. The available reserves are £900K after deducting the Meeting house fund of £3million and the social investment fund of £100K from the total unrestricted funds. There are surplus reserves of £565K. The trustees plan to reduce the available reserves to the target level of £335K by [insert the plan to do this, linking if possible to the trustees' plans for future periods].

8. Process to apply the policy

1. Area meeting treasurers and trustees agree a written reserve policy.
2. This is adopted following discernment by the area meeting.
3. Based on the decided policy, the area meeting treasurer and trustees calculate the free reserves and compare with the target level. The trustees note any action to be taken to bring the free reserves to the target level. The trustees ask Area Meeting to note the position on reserves.
4. As the year proceeds, the area meeting treasurer and trustees check whether they are on track to achieve the target surplus/deficit.

Examples are included in the QSC reserves policy advice 'How to set an area meeting reserves policy' at www.quaker.org.uk/documents/reserves-policy-ams-09-2016. This document and any other QSC advice on this subject may be found at www.quaker.org.uk/trustees.

If you run into difficulties, please contact your QSC Link Friend for advice. To find your QSC Link Friend phone 020 7663 1161 or email qsc@quaker.org.uk.

Chapter 10. Annual report

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers’ & Clerks’ Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 10 ‘Annual report’ includes:

1. The need for churches to prepare annual reports
2. The bases for the annual report
3. Annual report content – smaller charities
4. Additional content for larger charities
5. Authorisation of the annual report
6. Example annual report for the smaller church.

Online at https://acat.uk.com/membership/annual_report.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 ‘Stewardship of our material resources’

Spending on our responsibilities and concerns: section 14.07

Bookkeeping and accounts: section 14.16

Chapter 15 ‘Trusteeship’

Charitable registration: section 15.13

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Considerations regarding the annual report
3. What do you do with the report and accounts?
4. Thresholds for the preparation of accrual accounts
5. Sustainability.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 10 and *Qf&p* 14.07, 14.16, 15.13.
- Read the QSC guidance documents at www.quaker.org.uk/trustees, including checklists for England & Wales, or Scotland.
- Read the Charity Commission's CC16, which includes checklists for report and accounts www.gov.uk/government/collections/receipts-and-payments-accounts-pack-cc16.
- Read the Charity Commission's Prepare a charity trustees' annual report www.gov.uk/guidance/prepare-a-charity-trustees-annual-report.
- Read the Charity Commission's Prepare a charity annual return www.gov.uk/guidance/prepare-a-charity-annual-return.
- Read OSCR's Trustees' Annual Reports: Guidance and Good Practice at www.oscr.org.uk/media/2988/v10_trustees-annual-reports_guidance-and-good-practice.pdf.
- Read the BYM guidance on sustainability www.quaker.org.uk/living-sustainably.

2. Considerations regarding the annual report

Remember! While churches and other charities may have an annual general meeting of their members, unless your area meeting is a company, Quaker area meetings adopt the annual report alongside the accounts in a meeting for worship for business. A number of area meetings are now constituted as a Charitable Incorporated Organisation or CIO (a form of company). The model CIO constitution for area meetings, which has been agreed with the Charity Commission for England and Wales, is available from the secretary to Quaker Stewardship Committee (phone 020 7663 1161 or email qsc@quaker.org.uk). The model constitution provides that the trustees shall follow Quaker business method (clause 15). Also, the model constitution provides that the annual report and accounts must be presented to area meeting in session for consideration and acceptance no later than eight months after the end of the financial year (clause 22).

The charitable object of each area meeting is the "furtherance of the religious and charitable purposes of the Religious Society of Friends".

The QSC checklists will help you ensure that all necessary information has been included to be compliant with the law. They also allow the trustees and treasurer to assess their procedures and ensure that all area meetings have standardised reports and accounts to allow easy comparison. The checklists also give guidance as to which layout should be used for the Receipts & Payment financial statement, and what should be included in addition to the minimum legal requirements.

The standardisation of layout and content will enable readers of all sorts to more easily obtain and understand the information that the accounts present. "Essentially the accounts should include all the money and other assets entrusted to the charity for whatever purpose, show how they have been expended during the year and how the unexpended balance of each fund is deployed at the end of the accounting period." (FRS 102 SORP Introduction module, paragraphs 11 to 13).

The treasurer will normally prepare the accounts and the financial sections of the report. QSC and Woodbrooke run a course on ‘Writing brilliant annual reports’. Although the annual report is created by the trustees, it should reflect the work, concerns, and plans of the whole area meeting, including its constituent local meetings, not just of the trustee body.

3. What do you do with the report and accounts?

A registered charity must file its report and accounts with the relevant body. In England and Wales this will be the Charity Commission for England and Wales, and filing must be made within ten months of the end of the accounting year.

In Scotland, the Office of the Scottish Charity Regulator (OSCR) requires the report and accounts to be filed within nine months of the end of the accounting year. It is good discipline even for unregistered meetings to complete and submit the report and accounts in good time. The current (unincorporated) model governing document of an area meeting requires the trustees to present the report and accounts to area meeting in session for consideration and acceptance within eight months of the end of the accounting year.

4. Thresholds for the preparation of accrual accounts

Company charities, irrespective of their size, must prepare accruals accounts that give a true and fair view.

Appendix 3 of the SORP describes how regulations are less stringent for ‘smaller’ non-company charities – those which are not required to prepare accruals accounts or are not subject to statutory audit. They have more choice in the preparation of financial statements. They may report on an accruals basis, guided by the SORP, or report using Receipts & Payments accounts. Whichever basis they choose, non-company charities with a qualifying gross income (see the ACAT handbook) may categorise within it either on the basis of activities or using a ‘natural’ classification. QSC request that the former is used as it gives readers a better idea of the purposes for which money was spent, including some analysis of support costs; the latter simply lists such items as stationery, wages, etc.

These smaller charities need not report as fully. Friends preparing collated reports and accounts for meetings that need only independent examination would be well advised to read Appendix 3 of the SORP and decide to what extent they wish to avail themselves of the concessions offered. A useful summary of requirements appears in CC15 ‘Charity Reporting and Accounting: The essentials’. The Charity Commission offers guides for ‘Receipts & Payments accounts’ (CC16), ‘Accruals with activity classification’ (CC17) and ‘Accruals with natural classification’ (CC39). See chapter 25 for guidance from OSCR.

The local meeting report and accounts needs to feed into the area meeting collated report and accounts. The area meeting treasurer will need information from each local meeting, and from the AM clerk/clerk to AM trustees for the narrative sections of the report. The form in which this is required should be set out very early in the financial year so that the local meeting treasurers know what headings they need to use in their bookkeeping throughout the year.

While the summary for area meeting may be succinct, it is almost certain to lack the detail that the local meetings would like to see about its activities and sources of funding – for which notes in the local meeting's own local accounts will be useful.

Similarly, the local meeting report can contribute to the narrative of the area meeting report, as many events in the local meeting are important as a part of the area meeting activities. For the fuller information of the area meeting report as well as for local Friends, there should be a note of the local meeting's bankers and solicitors, etc. However, the local meeting report will not need to include such statutory statements as those about the appointment of trustees.

If the area meeting collation is going to be professionally examined or audited, then the area meeting treasurer will need to talk to the accountant involved and agree the Collation Proforma before collecting the data from the local meetings. It would be disconcerting to finish the collation and then find out that the independent examiner or auditor disagrees with your approach and wants it done differently.

Please see the ACAT handbook for current threshold amounts for independent examination and audit and additional guidance. Your QSC Link Friend will be able to provide support and guidance if required. To find your QSC Link Friend phone 020 7663 1161 or email qsc@quaker.org.uk.

5. Sustainability

Sustainability is a concern of BYM, which made a commitment in 2011 to become a sustainable community, so as to reduce the risks associated with climate change and an unsustainable consumer-led lifestyle. BYM has provided guidance on sustainability to Friends since that time. Sustainability is also a concern of area meetings and trustees. LM and AM treasurers have a role to play in supporting Friends in this concern. Meeting for Sufferings agreed the following minute:

MfS/18/07/17 Sustainability: reporting on actions

"Britain Yearly Meeting Sustainability Group (BYMSG) is a working group of Meeting for Sufferings (MfS); it works to oversee and encourage progress in relation to the commitment, made at Yearly Meeting in 2011, to become a low-carbon, sustainable community. For some time, BYMSG has been considering how best to encourage and support local and area meetings in monitoring carbon use. (Our minutes 2017/02/06 and 2017/04/07 refer.)

BYMSG, and Quaker Stewardship Committee (QSC), have devised a proposal that Area Meetings endeavour to report on sustainability actions through their Annual Reports. QSC has provided draft guidelines for area meetings.

We agree this is a helpful way forward, and encourage Area Meetings to follow the guidelines. We ask QSC to report to Meeting for Sufferings on the extent of sustainability reporting within Area Meeting Trustee Annual reports. We send this minute to QSC and BYMSG."

QSC and BYMSG have produced guidance to area meetings to implement the minute:

"Meetings are encouraged to include a statement on their actions on sustainability in their Trustees' Report, specifically:

1. What activities and progress they have made in becoming a low-carbon community, and what future action is planned.

This might include actions to:

a) deepen Friends' spiritual engagement with the sustainability commitment

b) strengthen meetings' sense of community around the commitment

c) support Friends to develop sustainable ways of life

d) develop low-carbon and sustainable premises and core practices

e) work for policy and system change.

2. Each local meeting could choose at least one measure of energy consumption or greenhouse gas emission that they will track for several years to monitor and motivate progress. The Trustees' Report would then include for each LM at least the current and prior year's consumption/emission. Measures that could be chosen include:

a) the energy consumption of the meeting house

b) the travel footprint caused by LM activities

c) the total carbon footprint of individuals or LMs

Britain Yearly Meeting Sustainability Group can provide assistance with the methodology to be used.

3. QSC is requested to report annually to MfS on the extent of sustainability reporting in Area Meeting Trustees' Annual Reports.

Some guidance is provided in the sustainability section of the BYM website: www.quaker.org.uk/living-sustainably.

We hope you are already encouraged to act to improve sustainability, seeing this as a joyful expression of Quaker witness. Transparent reporting will help improve both accountability and sharing of initiatives across the Society. So do start to consider what you would like to see in your 2018 Trustees' report, and what local meeting measures you will adopt. Talk to your QSC Link Friend about any further support you need.

Yours in Friendship

Lis Burch - Clerk, Britain Yearly Meeting Sustainability Group

Ursula Fuller – Clerk, Quaker Stewardship Committee"

Treasurers can support their area meeting with the actions to be taken to report sustainability over the next few years:

2018: Take action to improve sustainability. Share guidance with LMs, and each LM to choose a measure. Where relevant, LMs to produce a 2017 baseline.

2019: Take action to improve sustainability. 2018 Report to state action taken & planned, and LM measures adopted, and 2017 baseline (where available) and 2018 result.

2020: Take action to improve sustainability. 2019 Report to state action taken and planned. LM measures of 2019 & 2018.

Chapter 11. Independent examination

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 11 'Independent examination' includes:

1. The law in England and Wales
2. Scotland and Northern Ireland
3. What is independent examination
4. Who can be an independent examiner
5. Appointment of examiner
6. The examiner's report
7. Charity Commission Directions

Appendix I – Letter of Engagement

Appendix II – Examiner's Report.

Online at https://acat.uk.com/membership/ind_exam.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Constitution and functions: sections 4.10 parts l & m, 4.32, 4.33, 4.34

Chapter 14 'Stewardship of our material resources'

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Independent examination in the context of the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 11.
- Read *Qf&p* 4.10 parts l & m, 4.32, 4.33 g, 4.34, Chapter 14.
- Read the Charity Commission’s Independent examination of charity accounts: trustees (CC31) www.gov.uk/government/publications/independent-examination-of-charity-accounts-trustees-cc31.
- Look at the last two years’ accounts, and check whether they follow the Income & Expenditure (Accruals) basis or the Receipts & Payments basis.

2. Independent examination in the context of the Quaker meeting

Remember that the standard Quaker ‘charity’ is the area meeting with all its local meeting accounts collated into one total.

To facilitate compliance with the law, as well as to ease the keeping of accounts in accordance with Quaker openness and honesty, area meetings have generally adopted governing documents setting out their objects and how they will achieve them. If in doubt, consult these governing documents to ensure that your accounts and record-keeping is meeting those legal expectations.

Please check the ACAT website for the most up-to-date advice on thresholds for independent examination and audit, or take appropriate professional advice.

Accounts should be prepared annually by the area meeting treasurer. They must cover all financial activity that is encompassed within the charity, including the financial activity of constituent meetings and of any constituent charity that is not separately registered with the Charity Commission. They should be presented to the trustees for their approval, and then passed on to the area meeting in session.

Before they are approved, all accounts must be subject to independent examination or to an audit. There are financial thresholds that determine which is required (an audit is more rigorous and must be conducted by a qualified auditor), and these are to be found in the accounting regulations for charities published by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator. The examiner or auditor should be appointed by area meeting in session (generally on the recommendation of the trustees).

The auditor or examiner should provide a signed report that accompanies the accounts. The annual report and accounts should be approved by the trustees and signed by the clerk of trustees. They may also be signed by the area meeting treasurer. Both are then normally presented to, and adopted by, the area meeting.

The annual report and accounts for the area meeting are then public documents, and the area meeting (since it is a charity) is obliged to make them available to any member of the public who asks for them (a small charge may be made for printing and distribution, but this must be minimal).

In addition, if the area meeting is a registered charity, a copy must be sent within ten months of the end of the financial year to the Charity Commission for England and Wales, or within nine months to the Office of the Scottish Charity Regulator.

All area meetings (whether registered or not) are also asked to send a copy at the same time to the Quaker Communication & Services department at Friends House. In addition, the Charity Commission and the Office of the Scottish Charity Regulator require an annual return to be submitted by registered charities containing a certain amount of routine information about each charity. They may also require submission of a monitoring form summarising some financial details. These are normally submitted online.

Chapter 12. Copyright, licences & fundraising regulations

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 12 'Copyright, licences & fundraising regulations' includes:

1. Why churches need licences etc.
2. Public collections outside of church
3. Copyright
4. Music and performing rights
5. Lotteries and gaming
6. Food preparation and provision
7. Health and safety
8. The Licensing Act 2003
9. Is there anything not requiring a licence?
10. What action should the church take?

Online at https://acat.uk.com/membership/fundraising.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Use of premises: Section 14.27

Chapter 20 'Living faithfully today'

Simplicity and equality: Moderation and abstinence Section 20.41

Honesty and integrity: Gambling and speculation Sections 20.61, 20.62, 20.63

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Copyright, licences & fundraising regulations in the context of the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 12.
- Read *Qf&p* 14.27, 20.41, 20.61, 20.62, 20.63.
- Read the *Code of Fundraising Practice* produced by the Fundraising Regulator if you are in England or Wales www.fundraisingregulator.org.uk/code.
- Read *Who regulates Fundraising* provided by OSCR if you are in Scotland www.oscr.org.uk/media/3009/who-regulates-fundraising_pdf.pdf.
- Read *Quakers in Britain & the National Lottery*, which includes some historic information, minutes from Meeting for Sufferings and guidance for Quakers as individuals, local and area meetings, etc. www.quaker.org.uk/documents/quakers-national-lottery-briefing-2004.

2. Copyright, licences & fundraising regulations in the context of the Quaker meeting

Quakers have a historical witness against all forms of gambling, including raffles, tombolas and other small-scale casual gambling often used in fundraising. Some Quakers will take part socially – and feel that the distinction of scale is significant.

There was a corporate decision at Yearly Meeting level (1995) not to accept lottery funding for projects. Some autonomous registered groups have also followed this stand, while others have felt that their work requires their acceptance. Each group must discern its own way forward.

Alcohol consumption is often restricted or prohibited in the meeting house or grounds, though this may be relaxed for Quaker weddings. If in doubt, consult with premises committee and others within the area meeting. Additional resources are available from Quaker Action on Alcohol & Drugs (QAAD) http://qaad.org.

Area meetings have generally adopted governing documents setting out their objects and how they will achieve them. If in doubt, consult these governing documents.

Quaker meetings for worship in Britain do not usually contain recorded music, but music recordings may be played during other occasions. Music may also be sung and the lyrics or sheet music duplicated. The copyright of the music should be checked. Consider if your meeting house needs a licence for showing films, to members and attenders or to the public.

Consult with your local council regarding permission or licences for gatherings in public spaces; a licence will be required if you will be selling food or alcohol.

- Temporary Events Notice (TEN) England & Wales www.gov.uk/temporary-events-notice
- Occasional licence (Scotland) www.gov.uk/occasional-licence-scotland

If you hire out the rooms in the meeting house, include a clause in the terms and conditions to say that all third parties must have the appropriate licences for any activities, including playing recorded music and watching TV programmes.

Chapter 13. Tax efficient giving

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 13 'Tax efficient giving' includes:

1. The major schemes of giving
2. Gift Aid
3. Gift Aid Declarations
4. Tax benefits of Gift Aid
5. Making Gift Aid claims
6. Gift Aid records
7. Gift Aid Small Donations Scheme (GASDS)
8. Envelope schemes
9. Loans – a warning
10. Using agents for regular giving
11. Payroll giving (give as you earn)
12. Gifts under wills
13. Lifetime gifts
14. Non-charitable expenditure – HMRC restrictions

Appendix 1: Model Gift Aid declaration
Appendix 2: Model sponsorship declaration.

Online at https://acat.uk.com/membership/tax_efficient_giving.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Finance: How we pay for our concerns: Section 14.10

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Tax efficient giving in the context of the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 13 and *Qf&p* 14.10.
- See information on Gift Aid and Quaker spreadsheets at www.quaker.org.uk/treasurers.
- See HMRC Claim Gift Aid online web page www.gov.uk/claim-gift-aid-online.
- See HMRC Gift Aid Small Donation Scheme web page www.gov.uk/guidance/claiming-a-top-up-payment-on-small-charitable-donations.
- See HMRC Payroll Giving web page www.gov.uk/donating-to-charity/donating-straight-from-your-wages-or-pension.

2. Tax efficient giving in the context of the Quaker meeting

The Quaker spreadsheets include macros that will collate the Gift Aid for you. The spreadsheet pack is available from www.quaker.org.uk/treasurers and includes a Gift Aid address list and Gift Aid schedule that can be uploaded to the HMRC website.

Look at the previous year's Gift Aid records, consult with other treasurers for area meeting-specific record-keeping or account formats.

Many Friends use charity vouchers issued on an account with the Charities Aid Foundation (CAF) or a similar organisation. As the agent, whether CAF or other, has already recovered the tax from HMRC and credited it to the individual donor's account, the recipient charity receives simply the amount written on the voucher. This makes the treasurer's work easier.

Small meetings

Many local and area meeting treasurers have registered with HM Revenue & Customs online to reclaim tax on Gift Aid donations. If your meeting is small you may find it easier to come to some arrangement with your area meeting treasurer to accept these donations on behalf of your local meeting.

Handling charity vouchers

In order to obtain the money, complete the voucher and send it back to the agent (e.g. CAF) with information about the meeting's bank account. See 'How to redeem CAF charity vouchers': www.cafonline.org/charities/caf-donate/redeem. To prove that the meeting has the right to receive the money, which will already include refunded tax, confirm its charitable status by providing a registered charity number or an HMRC reference number or just stating that it is "a constituent meeting of the Religious Society of Friends (Quakers)".

Before posting back the voucher, enter the details in a list of vouchers received. This can be included in the main Quaker spreadsheet on an additional tab, or on paper. The entry should contain the CAF (or other) account number and the agent's voucher number. You need this because the agent will pay directly into the meeting's bank account (usually within three weeks) and these two numbers may be the only identification on the bank statement.

Now record the amount of the voucher in your cash book as if it had been paid into the bank, and check the entry off as received in your monthly bank reconciliation when the cash arrives from the agent.

You can use envelopes to collect gift-aided contributions

Some donors who like to give week by week in cash may be qualified to become Gift Aid donors. For them – and for your meeting – envelopes may be useful. These are available from the Treasurers' & Clerks' Support Officer: 020 7663 1045, tcsupport@quaker.org.uk.

If a separate declaration has been made, the envelope need only make clear from whom the contents come. One option, which is simple for the donor, is for them to write a personal identification number on the envelope. This merely requires the collector to have a register of whom that number represents.

The collector has to do some extra work to 'earn' the Gift Aid. The envelope must be opened, the contents counted, and the amount written both on the envelope and in a donor register. All the envelopes and other Gift Aid documentation need to be kept for six years after the end of the accounting year that they relate to.

Dividing contributions between different recipients

If the contribution is intended to be divided between one part of the meeting and another, e.g. the local meeting and the area meeting of which it is a part, both the initial payment and the tax recovery will have to be apportioned in the two cash book columns. You must ensure that the recovered tax follows the donation.

The spreadsheets for Quaker treasurers make the bookkeeping for this easy.

While normally only the benefiting charity can recover the tax, HMRC does allow one charity to recover Gift Aid for another provided that the money contributed has been placed in a 'restricted fund'. You can achieve this by naming the Gift Aid-related balance held in favour of other charities, e.g. BYM, as a 'Contributions Fund'. This 'restricts' it – but you must then declare its income and expenditure in the SOFA, which could significantly affect the total income of the area meeting.

Note that if the donor completes a separate Gift Aid declaration and sends it with the money directly to the charity concerned, this avoids the treasurer having to create restricted funds and register claims for beneficiaries outside the area meeting.

Collections for Britain Yearly Meeting

If the collection is for Britain Yearly Meeting (BYM) and you receive an amount under Gift Aid, and the cheque is made out to your meeting, you will need to reclaim the tax and send it, too, to BYM. This is because reclaimed tax must go to the same purpose as the contribution.

It would be simpler to ask the donor to make the cheque out to BYM and then either you or the donor can send the contribution directly to Friends House along with a completed Gift Aid form. The name on the cheque must be the same as on the Gift Aid form. In this case, BYM will take care of reclaiming the tax. BYM is unable to reclaim tax for local meetings.

Chapter 14. Stewardship

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 14 'Stewardship' includes:

1. Christian stewardship principles
2. Outside advisers
3. Planning the campaign
4. The action plan
5. Presenting the challenge
6. Face to face presentation
7. Alternative presentations
8. Summary.

Online at https://acat.uk.com/membership/stewardship.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Finance: How we pay for our concerns: Section 14.10

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. The annual call for contributions
3. Fundraising for building works.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 14 and *Qf&p* 14.10.
- See this year's contributions pack (PDF version at www.quaker.org.uk/contributions).
- Read the ACAT handbook chapter 4 Budgets: https://acat.uk.com/membership/budgets.php.

2. The annual call for contributions

Britain Yearly Meeting works on behalf of all Quakers in Britain to strengthen the Quaker community, speak out in the world and promote peace, justice, equality and sustainability. It is thanks to contributions from Friends that it is able to carry on this work.

Each year Friends House staff produce a contributions pack for treasurers and collectors to use to encourage contributions from their meeting.

This is an opportunity for the treasurer or collector to tell all members about the work that has been discerned at local, area, and yearly meeting level, discuss projects that are being considered, and issue a reminder that the everyday activities need to be funded too.

Consider how the money collected last year has improved life for members during that year. How many have been sent on courses or received training, and what events have been organised? Try to reflect the many different activities and resources that have enriched the worshipping community.

The treasurer's or collector's task is to inform Friends of the financial situation and needs of their meeting and of Britain Yearly Meeting.

The guidance on giving should include:

- the needs of the local and area meetings, and Britain Yearly Meeting
- arrangements, e.g. collection box, annual contribution schedule, ear-marking
- tax-effective methods, e.g. Gift Aid
- interest-free loans
- legacies.

3. Fundraising for building works

The largest fundraising that most meetings will undertake will be to improve, purchase, or build a meeting house. Fundraising for this should not be left to the treasurer, but should have a dedicated team that can focus on this. Funds may be available from other meetings, or trusts such as the Meeting Houses Fund, details of which are available in the *Directory of Quaker and Quaker-related grant-making trusts*, available from Friends House (phone 020 7663 1015 or email contributions@quaker.org.uk). Also see the web page at www.quaker.org.uk/our-work/grant-making/meeting-houses-fund.

Treasurers’ guidance sheets to supplement the ACAT handbook

QUAKERS

Chapter 15. Investing church funds

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers’ & Clerks’ Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 15 ‘Investing church funds’ includes:

1. Investment responsibility
2. The Trustee Act 2000
3. The Charities (Protection and Social Investment) Act 2016
4. Charity Commission guidance
5. Short term financial investment
6. Longer term financial investment
7. Land as a financial investment
8. Delegation of investment management
9. Nominees and custodians as “holding trustees”.

Online at https://acat.uk.com/membership/invest_church_funds.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 ‘Stewardship of our material resources’

Finance: Investments: sections 14.18–22

Chapter 20 ‘Living faithfully today’

Honesty and integrity: Sources and use of income: sections 20.56–57

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Ethical investments
3. Positive discrimination
4. Influencing companies
5. Sustainability.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 15 and *Qf&p* 14.18–22, 20.56–57.
- See www.quaker.org.uk/ethicalfinance for QPSW resources and information on ethical finance.
- See Your Faith, Your Finance workshop resources available at www.quaker.org.uk/documents/faith-finance-booklet. Quaker Peace & Social Witness has produced this resource to help Quaker meetings explore issues of ethical finance. The pack contains all the information and resources you need to run a two-hour workshop, and assumes no prior knowledge of finance, making it a flexible resource suited to any group wanting to explore ethical finance options.

2. Ethical investments

There has been an increasing focus in recent years on the ethical issues facing investors and the social impact of different investment choices. This is known broadly as socially responsible investing (SRI). The Charity Commission for England and Wales gives generic guidance about investments to support charities in their work. As Quakers we interpret this guidance to avoid investment in companies whose activities are inconsistent with our testimonies.

For more detail visit the Your Faith, Your Finance website at www.yourfaithyourfinance.org and see guidance available from the Ecumenical Council for Corporate Responsibility at www.eccr.org.uk.

3. Positive discrimination

Britain Yearly Meeting has long sought to avoid investment in armaments, alcohol, tobacco and gambling, but more recently other concerns have been added to the list. An ethical approach to investment may also seek to discriminate positively in favour of companies adopting high standards in areas such as fair trade, the treatment of employees, attitudes to customers and the impact of their activities on the environment and local community. The centrally managed funds are invested in line with concerns minuted by Meeting for Sufferings, and these are equally applicable to investment by local meetings. Britain Yearly Meeting's investment policy, and a list of its investments, is available at www.quaker.org.uk/bym-trustees.

4. Influencing companies

Another approach to ethical investment is that of holding shares in order to influence a company towards adopting policies and practices that meet with the approval of Friends. It can either be done when shares are held directly or by using a unit trust that explicitly adopts an SRI policy. Such action may require a commitment of time by the treasurer and trustees.

5. Sustainability

In the annual accounts, the note on investment of funds can be used to explain the ethical nature of investments and cross-refer to the section on sustainability in the trustees' report.

Chapter 16. Associated charities

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 16 'Associated charities' includes:

1. Friends' organisations
2. Appeal funds
3. National denominational and non-denominational religious charities with local branches
4. Which organisations are part of the church?
5. Overseas and home missions
6. Christian charities with some or all non-religious activities
7. Special interest groups
8. Endowed charities.

Online at https://acat.uk.com/membership/assoc_charities.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 5 'Other Quaker groupings'

Chapter 9 'Beyond Britain Yearly Meeting'

Chapter 14 'Stewardship of our material resources'

Finance: General: section 14.04

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Special appeals and fundraising
3. Giving to non-Quaker organisations.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 16 and *Qf&p* chapters 5, 9 & 14.04.
- See www.gov.uk/guidance/work-with-other-charities.
- See www.quaker.org.uk/treasurers for information sheet on special collections and Gift Aid.
- See www.quaker.org.uk/trustees for Quaker Stewardship Committee advice on giving to non-Quaker organisations.
- Remember that the area meeting is the constituent charity, of which each local meeting can be considered a branch. There may be additional associated groups that have their own accounts to be considered.

  Qf&p 4.32: "Local meetings are at all times subordinate to their area meeting."

2. Special appeals and fundraising

It is usual for local meetings to have had a range of financial functions delegated to them; it could make for clarity if these functions are actually listed, with the proviso added that the area meeting may call for money to enable it to fulfil its functions. This will include financing the concerns that members, through their local meetings for church affairs, have agreed to support. Where donations are concerned, it is useful to have a policy agreed by area meeting trustees and the area meeting.

In addition to local fundraising, a meeting can create a general appeal to Friends and apply for grants from the Meeting Houses Fund and other trusts, which can be found in the *Directory of Quaker and Quaker-related grant-making trusts*, available from Friends House, 020 7663 1015 or contributions@quaker.org.uk.

3. Giving to non-Quaker organisations

See Quaker Stewardship Committee paper, 'Giving to Non-Quaker Organisations' (2018).

General principles

Area meeting funds, including the money held by local meetings, can only be spent on the meeting's charitable purposes. These are set out in each area meeting's governing document, and also in *Quaker faith & practice*, 5th edition, 14.04.

Meetings are most likely to give money to a non-Quaker charity or organisation in order to:

- strengthen the life and witness of local meetings
- spread the message of Friends and interpret and develop the thought and practice of the Religious Society of Friends
- undertake our service for the relief of suffering at home and abroad
- fund the concerns of Friends that our meetings have adopted or agreed to support.

The Charity Commission for England and Wales and the Office of the Scottish Charity Regulator (OSCR) guidelines[1] state that if an area meeting funds another charity or organisation it must:

- be sure that this is in our charity's best interests. This includes checking that any money given is used as we required it to be
- record our decision to fund another charity in the minutes of the meeting.

There are additional, stringent rules for donations made directly to charities and organisations outside the UK.

[1] extracted from www.gov.uk/guidance/work-with-other-charities

Recording and reviewing giving to non-Quaker organisations

The advice from the Charity Commission requires that the charitable object of the charity receiving a donation or grant should be in harmony with our own. When a grant, donation or subscription is agreed for the first time, the receiving organisation, the amount and why the money is being given must be recorded in a minute. Money to fund a concern may be given to further a yearly meeting concern such as peace or sustainability, or an area or local meeting concern. Particular care should be taken to show that there is a tested and adopted concern if the amount is large. A rough guideline is that the amount might be considered to be large if it is greater than £250, in which case the amount should be as a result of a tested concern. *Qf&p* 13.12 covers the testing of a concern, and 13.14 notes that when a concern has been adopted by a local meeting then the area meeting clerk must be informed "without delay". Even when a non-Quaker charity has not been adopted as a concern then *Qf&p* 14.04d states that funding has to be agreed, and it follows that it is thus duly minuted.

Meetings should keep their giving to non-Quaker organisations under regular review. They should be able to demonstrate that the money is being used for the purpose for which it was given, for example through reports from the recipient organisation or attendance at its meetings. Repeated donations by standing order should be checked periodically to make sure that they are still relevant.

The area meeting trustees' annual report and accounts should identify grants and donations to non-Quaker organisations, and in the case of large contributions explain the reasons: this includes any donations agreed in previous years that are still being made during the year being reported. The relevant area meeting or trustees' meeting minute should be quoted in the report.

Demonstrating due diligence

Preferential rates for room hire

Some meetings give preferential rates to local groups and charities for the hiring of rooms. It needs to be recognised that, by charging at a lower rate, we are in practice making a donation (the difference between a normal charge and the preferential charge) to a non-Quaker organisation. In these cases, such donations need to be handled in the same way as donations of money, i.e. the arrangement for a preferential room hire rate needs to be recorded in a minute, and preferably as an adopted concern.

Subscriptions for membership of non-Quaker organisations

Care needs to be taken with membership fees for non-Quaker organisations in cases where such a membership fee could be construed to be a donation.

Related party transactions

Meetings should be particularly careful to record the process of discernment and rationale for a grant, donation, or below-market hiring charge or subscription when the recipient is an organisation where members of the area meeting are involved in the running of such an organisation, or where some family member of a trustee is involved. In such cases it is essential to notify the area meeting trustees so that they can ensure that they meet all the requirements for managing and reporting related party transactions.

Giving to overseas organisations

If money is given directly to an overseas organisation then the area meeting trustees have to meet stringent requirements to show that they have taken active steps to ensure that the money is spent only for the purpose for which it was given. This is an onerous task, so meetings may decide to give to a UK-based charity that will take on this responsibility for money sent abroad wherever possible. If a meeting does wish to send money direct it should read the relevant HMRC and Charity Commission or OSCR guidance and consult area meeting trustees before any decision on the grant or donation is made.

An alternative way of making donations

Many meetings hold ‘special collections’, e.g. every week for a month, for a particular cause or organisation that has been approved by the local business meeting. These collections are from members and attenders and are separate from donations to Quaker funds. The meeting ‘acts as an agent’ and at the end of the month the amount collected is immediately passed on by the treasurer to the charity concerned. Most Quaker treasurer spreadsheets have facilities for dealing with special collections, and the meeting acting as an agent. In this way such donations are not being made from the funds of the Quaker charity.

Recommendation from QSC

We advise that any grant or donation to a non-Quaker charity or organisation made from Quaker funds must be approved and recorded at a meeting for worship for business, and that in the case of donations greater than £250 they should be as a consequence of a tested and adopted concern. A simpler way of making donations to non-Quaker charities and organisations is to use the method of special collections.

Sources of help

Local and area meetings should consult area meeting trustees in the first instance if they have any doubts or queries. Quaker Stewardship Committee may be able to give guidance on good practice. The websites of the Charity Commission and OSCR have a number of guidance documents for trustees.

Chapter 17. Registration of charities in England and Wales

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 17 'Registration of Charities in England and Wales' includes:

1. The principles set out by law
2. Which churches must register
3. The programme for registration
4. Documents to be gathered before registration
5. The online registration process
6. Tips for completion of the forms

Appendix 1 – Trustee Eligibility Declaration Form.

Online at https://acat.uk.com/membership/registration_england_wales.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

- Area meetings: Constitution and functions: section 4.02
- Local meetings: Section 4.37

Chapter 15 'Trusteeship'

- Charitable registration: sections 15.12–15.14
- Governing documents: section 15.15

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. When and how to register
3. Charity schemes.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 17.
- Read *Qf&p* 4.02, 4.37, 15.12–15.14, 15.15.

2. When and how to register

Registration is usually a trustee issue, but treasurers may need to be aware of the practicalities involved.

Area meetings in England and Wales will have to register with the Charity Commission when their income rises above £100,000 a year (unless their income is over £100,000 for one year only due to exceptional circumstances).

Those with an annual income under this figure will have to register later (currently expected to be March 2021). See www.gov.uk/government/publications/excepted-charities for information on excepted charities.

Please visit www.gov.uk/guidance/how-to-register-your-charity-cc21b for guidance on how to register a charity.

Registration of the area meeting is done online at https://apps.charitycommission.gov.uk/outreach/RegistrationLanding.ofml.

Documents in the list below are available on the BYM website:

- A document guiding you through the online application www.quaker.org.uk/documents/charitable-registration-guidance-feb2015.
- A template governing document agreed with the Charity Commission in keeping with the guidance and principles laid down in *Quaker faith & practice* www.quaker.org.uk/documents/governing-document-foram-cc-approved. Your area meeting will already have a governing document. If you have made any changes to this template, you will need to list these and the reasons for making them.
- A document covering issues to consider if you are thinking of becoming a Charitable Incorporated Organisation (CIO) or a company www.quaker.org.uk/documents/cio-and-companies-qsc. A model form of governing document for a CIO is available on request – call the secretary to Quaker Stewardship Committee on 020 7663 1161 or email qsc@quaker.org.uk.

3. Charity schemes

Area meetings that register as charities should also set up a scheme to combine the area meeting with its various trusts, including property trusts ("specie" land which is held for the actual purposes of the charity rather than as a financial investment). This means that the assets of these trusts can be included in the area meeting's accounts as restricted or endowment funds. It is also an opportunity to update some aspects of old trusts for a simpler structure.

If an area meeting is considering selling some property, then it should check whether the property is specie, as the Charity Commission may need to be consulted. If an area meeting is planning to change the use of some property, it should check whether the deeds allow this. The secretary to Quaker Stewardship Committee can arrange for the property deeds held by Friends Trusts Ltd to be checked. If the use of the property laid down by the deeds is no longer practicable, then the Charity Commission is usually very helpful in finding an alternative use.

We are having to reconsider scheme clause 9(5) relating to Friends Trusts Ltd. If you are working on a scheme, please do not finalise it until we have sorted this out. Please contact the secretary to Quaker Stewardship Committee on 020 7663 1161 or at qsc@quaker.org.uk if this affects you so we can keep you up-to-date with developments.

Documents available on the BYM website:

- Guidance on assessing whether a scheme is specie (pdf) www.quaker.org.uk/documents/specie-land-assessing-whether-specie-extract2008.
- Creating a scheme: guidance for meetings (Word) covering applying for a scheme and the scheme document to be completed www.quaker.org.uk/documents/scheme-creation-am-guidancemarch2016.

Chapter 18. Church insurance

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 18 'Church insurance' includes:

1. Church buildings
2. Church contents
3. Public/products/property owners' liability
4. Employers' liability
5. Personal accident
6. Money
7. Consequential loss
8. Church halls
9. Legal expenses
10. Trustee indemnity
11. Building works.

Online at https://acat.uk.com/membership/church_insurance.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Meeting houses: Use of premises: Section 14.27

Chapter 15 'Trusteeship'

Charitable registration: Records, including trusts: Section 15.18

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 18.
- Read *Qf&p* 14.27, 15.18.
- See also chapter 3 Internal controls, and in particular the report 'A vulnerable victim?' at www.quaker.org.uk/documents/a_vulnerable_victim.
- Consider if an area meeting insurance policy rather than individual local meeting policies would be more economical and effective.
- See the Property Advice Sheets at www.quaker.org.uk/property.
- See the *Handbook for trustees of Quaker meetings* at www.quaker.org.uk/trustees.

Advices & queries on Quaker stewardship

> 6. Have you considered the possible risks facing the meeting and its property and funds? Seek to reduce any risks without creating unnecessary bureaucracy or a fearful attitude.

Online at www.quaker.org.uk/documents/advices-queries-for-stewardship-2015

Chapter 19. Health & safety

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 19 'Health & safety' includes:

1. Responsibility
2. Premises
3. People
4. Policy implementation and maintenance
5. Other sources

Appendix 1 – Example Health & Safety Policy

Appendix 2 – Check-list

Appendix 3 – Food Hygiene

Appendix 4 – Fire Safety Regulations.

Online at https://acat.uk.com/membership/health_and_safety.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Area meetings: Pastoral care and outreach: section 4.14

Chapter 13 'Varieties of religious service'

Wardens: Employment of wardens: sections 13.36–38

Chapter 15 'Trusteeship'

Trustees' responsibility: sections 15.04–15.05

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Responsibilities
3. Support and resources.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 19.
- Read the ACAT handbook chapter 20 Risk assessment https://acat.uk.com/membership/risk_assessment.php.
- Read *Qf&p* 13.36–38, 4.14, 15.04–05.
- See www.quaker.org.uk/safeguarding for safeguarding policies and procedures.
- See the webpage for area meeting safeguarding coordinators www.quaker.org.uk/meetingsafety.
- See the trustees' webpage www.quaker.org.uk/trustees.
- See the Quaker employers' resource at www.quaker.org.uk/employers.
- See the Health and Safety Executive website www.hse.gov.uk/contact/faqs/charities.htm and www.hse.gov.uk/voluntary.

2. Responsibilities

Health and safety matters are strictly speaking the responsibility of trustees, not treasurers. Of course, most treasurers are also trustees – more detail is available in the trustees' handbook at www.quaker.org.uk/trustees.

Remember that the area meeting is the primary charity, with the local meeting being a branch. Therefore, the area meeting must be the employer, as well as being responsible for safeguarding, premises and the provision of health and safety, across all buildings and meetings in addition to events.

Professional advice should be sought if there are any concerns.

3. Support and resources

Quaker Life has produced a range of supporting resources and can give advice about employment, volunteers, safeguarding, and more. Phone 020 7663 1017 or email safe@quaker.org.uk.

There are two email lists run by Quaker Life – 'Property Advice' for building-specific questions and 'Managing Meeting Houses' for wardens and all other people involved with the running of meeting houses, including the hiring out of rooms.

Checklists and thorough policy and procedure preparation can ensure that specific details are not forgotten. But for all employment, safeguarding, health and safety, and similar technical or legal matters, it is important to remember our Quaker testimonies to truth and equality and how they interact with legal requirements.

Advices & queries 22

> "Remember that each one of us is unique, precious, a child of God."

Online at https://qfp.quaker.org.uk/chapter/1

Quaker faith & practice 4.14

> "Area meetings need to consider, agree and regularly review their own meeting policy on the safety of children, young people and vulnerable adults, taking into account current relevant legislation, the requirements of their insurers, and current guidance on good practice from Quaker Life, available from the BYM website*. Meetings are advised to have policies in place whether or not they currently have children, young people or vulnerable adults in their constituent local meetings."

Quaker faith & practice is online at http://qfp.quaker.org.uk.

* See www.quaker.org.uk/meetingsafety

Chapter 20. Risk assessment

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 20 'Risk assessment' includes:

1. Introduction
2. Nature of risk
3. Risk assessment
4. Conclusion
5. Help available.

Online at https://acat.uk.com/membership/risk_assessment.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Area meetings: Pastoral care and outreach: section 4.14

Chapter 13 'Varieties of religious service'

Wardens: Employment of wardens: sections 13.36–38

Chapter 15 'Trusteeship'

Trustees' responsibility: sections 15.04–15.05

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Responsibilities and compliance
3. Support and resources.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 20.
- Read the ACAT handbook chapter 19 Health & safety https://acat.uk.com/membership/health_and_safety.php.
- Read *Qf&p* 13.36–37, 13.38, 4.14, 15.04–05.
- Read Charity Commission CC26 ‘Charities and risk management’ at www.gov.uk/government/publications/charities-and-risk-management-cc26.
- Read Charity Commission guidance on how to manage risks in your charity www.gov.uk/guidance/how-to-manage-risks-in-your-charity.

2. Responsibilities and compliance

Risk assessment, including financial risk, is strictly speaking the responsibility of trustees, not treasurers. Of course, most treasurers are also trustees – more detail is available in the trustees’ handbook at www.quaker.org.uk/trustees.

But risk is not a trustee-only matter. All members of the area meeting should be involved, with each local meeting and the various committees and groups within being asked to consider their group’s risks and what is being done to minimise these.

Professional advice should be sought if there are any concerns.

Compliance and the reduction of risk is not a ‘tick box’ exercise. It is a way to ensure that the area meeting is a safe place for all of its members, as well as for the general public who attend meetings for worship or other events, and interact with the area meeting in some way.

3. Support and resources

Property-specific advice can be sought from the following e-groups:

- Property Advice e-group: http://lists.quaker.eu.org/cgi-bin/mailman/listinfo/property-advice.
- Wardenship e-group: http://lists.quaker.eu.org/mailman/listinfo/wardenship.

See also:

- the trustees’ webpage www.quaker.org.uk/trustees.
- the Quaker employers’ resource at www.quaker.org.uk/employers.

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> "How can we make the meeting a community in which each person is accepted and nurtured, and strangers are welcome? Seek to know one another in the things which are eternal, bear the burden of each other's failings and pray for one another. As we enter with tender sympathy into the joys and sorrows of each other's lives, ready to give help and to receive it, our meeting can be a channel for God's love and forgiveness."

Online at https://qfp.quaker.org.uk/chapter/1

Treasurers' guidance sheets to supplement the ACAT handbook

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Chapter 21. Data protection

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 21 'Data protection' includes:

1. The Data Protection Act 1998
2. The main provisions of the Act
3. The conditions for processing data
4. Processing sensitive data
5. Registration and exemption
6. Exemption conditions
7. When a church should register
8. The registration process
9. EU General Data Protection Regulation.

Online at https://acat.uk.com/membership/data_protection.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Data protection and confidentiality: section 4.45

Online at http://qfp.quaker.org.uk

Please note that documents are available to help meetings comply with the new General Data Protection Regulation (GDPR) at www.quaker.org.uk/datasafety.

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Data protection and the area meeting
3. Security
4. Right to erasure (also known as right to be forgotten).

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 21.
- Watch the two ACAT GDPR seminars (1 hour each) online for a clear outline of expectations and the legal requirements of the act, as well as how to be compliant: https://acat.uk.com/membership/onlinetraining.php.
- Read *Qf&p* 4.45.
- See GDPR website www.eugdpr.org.
- Be aware of the need for security for records and where that overlaps with internal controls. See ACAT handbook chapter 3 Internal Controls https://acat.uk.com/membership/internal_controls.php and the updated GDPR guidance from Britain Yearly Meeting staff www.quaker.org.uk/datasafety.
- Audit where your data is and who has access. A 'Guide to personal data audit for meetings' and a blank template is available from www.quaker.org.uk/datasafety.
- For further detailed guidance read the Information Commissioner's Office guidance on GDPR https://ico.org.uk/for-organisations/guide-to-the-general-data-protection-regulation-gdpr.
- Complete the Information Commissioner's Office data protection self-assessment at https://ico.org.uk/for-organisations/resources-and-support/data-protection-self-assessment.
- Consider having a shared, secure cloud-based storage system for accounts, including all Gift Aid and donations paperwork, or at least ensure that regular backups are made and given to another member of the finance committee.
- Ensure all data is stored on password-protected computers and data management systems. Do not send files by email; instead, send date-limited links.

2. Data protection and the area meeting

Data protection can be considered with the following formulae:

Data	=	people
Data protection	=	people protection
Accountability + intent + responsibility	=	good data practice

'Data Controllers' and 'Data Processors'

Under data protection legislation, an area meeting is counted as a 'Data Controller' because as an organisation it collects and processes information on Friends, supporters, employees, and potentially hirers in the course of its work. An area meeting may in theory also use a Data Processor, such as a third-party fulfilment house to send out direct mail, but this is unlikely to happen in practice.

Policy

Area meeting trustees should have produced a general data protection policy, which is a practical document where people can get answers to their questions about data protection. Remember that data from members and attenders of the meeting should be stored as securely as the data from hirers and employees.

3. Security

Data is safest when it is put away securely, such as in a password-protected database or in a file in a locked filing cabinet. It needs protection when it is being used, shared and transported.

4. Right to erasure (also known as right to be forgotten)

If you receive any request from data subjects in regards to their data, you should alert the clerk to area meeting trustees and the area meeting clerk, and seek advice from the BYM Data Protection Group before responding at dataprotection@quaker.org.uk.

In some cases people may have the right to ask you to delete their personal data from your records. However, this right does not take precedence over other legal obligations. Most financial data must to be kept for at least six years and therefore cannot be deleted within this time.

Meeting minutes are required to be archived permanently and therefore cannot be deleted either.

It is very important to ensure a smooth handover between treasurers, so all data is retained. It is also important to ensure that people who have laid down a role have deleted the information from their personal devices, once everything has been handed on.

Chapter 22. Property development

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 22 'Property development' includes:

1. Consent
2. Pre-planning
3. Development purpose
4. Development for church use
5. Funding
6. Development for sale
7. Community infrastructure levy.

Online at https://acat.uk.com/membership/property_development.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

- How we pay for our concerns: section 14.12
- Bookkeeping and accounts: section 14.14
- Property: section 14.23
- Care of premises: section 14.25
- New meeting houses: section 14.26

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Property advice sheets
3. Property advice e-group
4. Meeting Houses Fund
5. Sustainability.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 22.
- Read *Qf&p* 14.12, 14.14, 14.23, 14.25, 14.26.
- You may also find ACAT handbook chapter 12 Copyright, Licences & Fundraising Regulations useful https://acat.uk.com/membership/fundraising.php.
- It is important to ensure that trustees are clear on ownership of the property, and if any restrictions apply.
- See the property advice page at www.quaker.org.uk/property.
- See the Meeting Houses Fund page at www.quaker.org.uk/mhfunds.

2. Property advice sheets

A set of advice sheets provides general information for Quakers on the stewardship of meeting houses and other properties. You can find these at www.quaker.org.uk/property.

3. Property advice e-group

The Quaker property advice e-group supports those involved in looking after meeting houses and other property. Group members can ask questions and seek assistance and guidance from the group by email. Any question or request for information – and the response – is sent automatically to all group members, encouraging ideas and knowledge sharing.

Advice offered by group members is informal, not professional. The ultimate decision on any matter will rest with the local Friends concerned.

You can join the property advice e-group at www.quaker.org.uk/property.

4. Meeting Houses Fund

The Meeting Houses Fund gives or lends money to meetings for improvements to their property.

This includes:

- improving wardens' living areas
- buying and improving new property
- helping with large repairs to historic meeting houses.

Visit www.quaker.org.uk/mhfunds for more information.

5. Sustainability

In the annual accounts, the note on property can be used to explain the ethical nature of property maintenance, improvement and development and cross-refer to the section on sustainability in the trustees' report.

Chapter 23. IT for churches

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 23 'IT for Churches' includes:

For novices

1. Introduction
2. Acquiring a computer and other related hardware
3. Are you sitting comfortably?
4. The internet
5. E-mail
6. Security
7. Software applications
8. Training
9. Managing files
10. When things go wrong
11. Further references

For all treasurers

12. Accounting software
13. The church organisation
14. Skills and aptitudes of the user
15. Expectations of an accounting solution
16. The market place
17. Payroll accounting
18. Disclaimer.

Online at https://acat.uk.com/membership/info_tech_churches.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 4 'Area meetings and local meetings'

Data protection and confidentiality: section 4.45

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. IT and the Quaker meeting.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 23.
- Read *Qf&p* 4.45.
- See also chapter 2 ‘Bookkeeping’ (https://acat.uk.com/membership/book_keeping.php) for information on the Quaker spreadsheets, which are available at www.quaker.org.uk/treasurers.

2. IT and the Quaker meeting

The provision of an office or dedicated computer for meeting house staff or volunteers is uncommon. Where computers are not supplied, but personal equipment and facilities are used instead, care must be taken to ensure that the users:

- are aware of the need for physical and data security
- are able to work in comfort with appropriate support and physical spaces
- have appropriate back-up facilities and share files with others regularly to avoid data loss.

Health and safety

While it is not a legal requirement for home-working volunteers to follow the Health and Safety Executive’s (HSE) recommendations for working with VDUs and ergonomic workspaces, it would be sensible for any volunteer expecting to work at a computer for a reasonable period of time (the regulations mention an hour a day) to review the recommendations and complete a risk assessment.

Chapter 24. Useful addresses

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

Chapter 24 'Useful addresses' includes:

1. Useful addresses – alphabetic order
2. Useful addresses by type of service.

Online at https://acat.uk.com/membership/useful_addresses.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Treasurers' & Clerks' Support Officer
3. Quaker Stewardship Committee
4. Britain Yearly Meeting staff contacts
5. Britain Yearly Meeting website
6. Property advice e-group.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 24.
- Read *Qf&p* chapter 14.

2. Treasurers' & Clerks' Support Officer

The Treasurers' & Clerks' Support Officer is the first point of contact for treasurers' support at Friends House: phone 020 7663 1045 or email tcsupport@quaker.org.uk.

3. Quaker Stewardship Committee

Members of Quaker Stewardship Committee are assigned to each area meeting and to other Quaker bodies. You can find out who your 'Link Friend' is by phoning 020 7663 1161 or emailing qsc@quaker.org.uk. See www.quaker.org.uk/qsc.

4. Britain Yearly Meeting staff contacts

You can find staff names and contact details for all centrally managed work on the staff contacts page of the Britain Yearly Meeting website at www.quaker.org.uk/staff-contacts, helpfully divided into departments and areas where you might need help.

5. Britain Yearly Meeting website

The Britain Yearly Meeting website has a section dedicated to providing information and resources for Quaker role-holders, including treasurers. See www.quaker.org.uk/quaker-roles and www.quaker.org.uk/treasurers.

6. Property advice e-group

The Quaker property advice e-group supports those involved in looking after meeting houses and other property. Group members can ask questions and seek assistance and guidance from the group by email. Any question or request for information – and the response – is sent automatically to all group members, encouraging ideas and knowledge sharing.

Advice offered by group members is informal, not professional.

You can join the property advice e-group at www.quaker.org.uk/property.

Treasurers' guidance sheets to supplement the ACAT handbook

Chapter 25. Charities in Scotland

The ACAT handbook is your primary source of reference for legal and financial matters. Please also read the relevant chapters of *Quaker faith & practice*. The supplementary guidance sheets provide additional information for the Quaker context. For further information and support, contact: Treasurers' & Clerks' Support Officer, 020 7663 1045, tcsupport@quaker.org.uk.

What is covered in the ACAT handbook

'Chapter 25 Charities in Scotland' includes:

1. Registration
2. Annual Returns
3. Form and content of the Annual Report and financial statements

Appendix 1 – Receipts and Payments Basis

Appendix 2 – Example independent examiner's report.

Online at https://acat.uk.com/membership/charities_in_scotland.php

★ See Introduction section for how to receive **free login details** for Quaker treasurers.

Relevant sections of *Quaker faith & practice*

Chapter 14 'Stewardship of our material resources'

Chapter 5 'Other Quaker groupings'

General Meeting for Scotland: section 5.03

Online at http://qfp.quaker.org.uk

Information specific to the Quaker context

The information in this sheet to supplement the ACAT handbook is:

1. Action points for the Quaker treasurer
2. Scottish charities, OSCR and Quaker meetings.

1. Action points for the Quaker treasurer

- Read the ACAT handbook chapter 25.
- Read *Qf&p* chapter 14, 5.03.
- See Office of the Scottish Charity Regulator www.oscr.org.uk/about-oscr/about-oscr.

2. Scottish charities, OSCR and Quaker meetings

All Quaker area meetings are regarded as charities and subject to charities legislation. All charities that represent (call) themselves a Scottish charity must register with the Office of the Scottish Charity Regulator (OSCR). All charities registered in Scotland must comply fully with the requirements of Scottish charity law. There is no excepted charity status in Scotland.

In Scotland there is a category of 'Designated Religious Charity', which is covered by slightly different regulations from other charities. Quaker meetings are not covered by this category, which only applies to bodies with more than 3,000 full members residing within Scotland.

OSCR and Charity Commission for England and Wales (CCEW) have similar regimes on when a charity should report certain incidents and events to the regulator. OSCR calls this 'notifiable events' reporting, whereas CCEW refers to 'serious incident' reporting.

The thresholds for the format of accounts (Receipts & Payments accounts or Accruals accounts) are the same in Scotland as in England and Wales. There are differences in the thresholds for external scrutiny (independent examination or audit) in Scotland compared with England and Wales. The thresholds for Scotland are set out in this ACAT chapter.

In addition to the guidance found in the ACAT handbook, area meetings in Scotland are asked to submit their accounts and annual returns to Quaker Stewardship Committee within nine months of the end of the financial year.

Note that Friends Trusts Limited is a custodian trustee for Quaker properties and investments in England and Wales, but not in Scotland.

Responsibility for preparing the collated Trustees' annual report and accounts (TARA) rests with the trustees. The treasurer will normally prepare the accounts and financial parts of the report. Much of the report, however, should be prepared by the trustees themselves. Each trustee should receive a draft of the TARA well before the meeting at which they are to be approved. The TARA are then approved by the trustees as a body, and each should be signed and dated on behalf of all by one of them who has been authorised to do so. In Scotland the signature on the accounts must appear on the balance sheet (or on the statement of balances). A registered charity must then submit its TARA to the relevant body. In Scotland OSCR requires the TARA within nine months of the end of the accounting year; this timing applies to many meetings in Scotland. It is good discipline even for unregistered meetings to complete their TARA in good time; the governing documents generally incorporate a time limit of eight months.

Appendix: Abbreviations

ACAT	Association of Church Accountants and Treasurers
ACAT handbook	The handbook published in April 2017 and kept updated online
AM	Area Meeting
BYM	Britain Yearly Meeting
BYMSG	Britain Yearly Meeting Sustainability Group
CAF	Charities Aid Foundation
CCEW	Charity Commission for England and Wales
CFG	Charity Finance Group
CIO	Charitable Incorporated Organisation
FRS 102	Financial Reporting Standard 102
GDPR	General Data Protection Regulation
HMRC	HM Revenue & Customs
HSE	Health and Safety Executive
LM	Local Meeting
LPS	Listed Places of Worship
OSCR	Office of the Scottish Charity Regulator
Qf&P	*Quaker faith & practice* (5th edition)
QSC	Quaker Stewardship Committee
TARA	Trustees' Annual Report and Accounts
SoFA	Statement of Financial Activities
SORP	Statement of Recommended Practice: Accounting and Reporting by Charities
SRI	Socially Responsible Investing
VAT	Value Added Tax
VDU	Visual Display Unit

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