

North East Thames Area Quaker Meeting – Finance Policy and Practice

This policy is to augment and in no way to contradict the relevant chapters in QF & P which should be read and noted.

January 2017

1 The Scope of this policy

This policy applies to all the financial dealings of the North East Thames Area Quaker Meeting comprising the Local Meetings' accounts for LMs and Premises, the Area Meeting account and High Leigh Conference account.

2 The ownership of assets

The funds in the above accounts, other than acting as agent funds, are assets of the single excepted charity, The North East Thames Area Quaker Meeting (NETAQM) and are consolidated for independent examination (or audit) each year.

Where a Local Meeting holds a restricted fund, for example a fund for its own use, restricted by the terms of legacy or gift, these monies are still the assets of the NETAQM but restricted for the specified use.

Local Meetings should retain in their own accounts only such monies as are necessary to conduct their affairs and surpluses should be transferred to the Area Meeting account at least annually. As many contributions are only made at local level, this transfer of funds to Area meeting and then some to BYM is essential.

Where monies are not the assets of NETAQM such as those of London Quakers Property Trust (LQPT) formerly Six Weeks Meeting (SWM) or are collections for other charities, they are to be treated as Acting as Agent in our accounts and passed on without delay.

3 Use of funds

Funds can only be used for a properly designated purpose. Where expenditure is not routine such as utility bills or catering supplies, the expenditure should be authorised **in advance** by AM, Local Meeting or Premises committee as appropriate. A copy of the relevant minute needs to be kept with the accounts. This is especially important where individuals are purchasing items or a service on behalf of the Meeting, perhaps on a credit card, and will need to be reimbursed personally.

As all the monies in the Local Meeting accounts, except acting as agent funds, are assets of the Area meeting, their primary use is for the purpose of that charity. The needs of the Area Meeting are to be considered ahead of any other charitable purpose.

Charities generally are not expected to give funds to other charities so special attention needs to be paid if another charity is to receive funds originally given to a Local meeting or to Area Meeting for its use. Giving to another Quaker charity such as Britain Yearly Meeting or Quaker Social Action, where this has been properly minuted, would usually be acceptable. If Quaker funds are to be given to non-Quaker charities, the Local or Area Meeting need to show in their authorising minute how the gift fulfils the object of NETAQM. *The object of North East Thames Area Quaker Meeting is the furtherance of the general religious and charitable purposes of the Religious Society of Friends (Quakers) in Britain in the area of North East Thames Area Quaker Meeting and beyond.*

Detailed advice has been given by Quaker Stewardship Committee.

4 Area Meeting Treasurers' Committee

This committee serves as the finance subcommittee of the Trustees and is accountable to them.

'The committee is made up of all local meeting and premises committee Treasurers, the AM treasurer and any member or attender undertaking financial work e.g. book keeping for the AM. Up to two other AM members who may have skills needed by the Committee may be co-opted for up to 3 years. The Committee includes at least one AM trustee at any point. The Clerk to AM Trustees and AM Clerk/Assistant Clerk may attend ex officio. The terms of service coincide with treasurers' terms of appointment. The Clerk is appointed from within the committee to serve for three years. All their meetings are held according with the guidance in Quaker Faith and Practice.' (From the NETAQM Governing Document)

All treasurers are expected to attend the committee meetings which are held quarterly as they offer guidance and support to treasurers as well as giving advice to Trustees on financial matters.

5 The appointment of Treasurers, Bookkeepers and others associated with AM Finances

The appointments of the AM bookkeeper or AM Treasurer and account signatories are made by Area Meeting from names brought forward by the AM Nominations committee.

The appointment of Local Meeting treasurers and Premises treasurers are made by Area Meeting, from names brought forward by their Local Meeting Nominations committee. One person may undertake both roles. If a suitable member or attender in good standing cannot be found for these roles within the local meeting, the matter should be notified to AM Trustees to discuss a way forward.

The High Leigh Committee appoints the High Leigh Conference treasurer from amongst its members.

The Clerk to AM Treasurers' Committee is appointed from amongst its members.

The Trustee (Finance) is appointed by the AM Trustees from amongst its members. If the AM Treasurer is a Trustee, or co-opted onto the Trustee body, a further Trustee responsible for finance is not required.

6 The responsibilities of Treasurers, Bookkeepers and others associated with AM finance.

See various job descriptions appended to this document.

All people appointed to these roles are expected to undertake training, to keep themselves informed of developments by reading Trustees' and Treasurers' news and attending AM Treasurers' committee. Some bookkeeping support can be offered in the area meeting and there are online videos about using the standard Excel spreadsheets via the Quakers.org.uk website, search for 'treasurers' resources'. The AM will pay for appropriate Woodbrooke courses.

Where a treasurer or other person entrusted with responsibility for financial matters is no longer able, even for a temporary period, to carry out their role responsibly, they need to make this known to an overseer, elder, or the clerk of their Meeting or Committee so an alternative arrangement can be made.

7 The responsibility of Meetings and Committees for their financial affairs

Notwithstanding the individual responsibility of those with financial roles, **everyone** in these roles needs the active and caring support of their meetings and committees who should be vigilant that financial matters are being attended to in a timely and competent manner, offering encouragement and practical help when it is required.

Any concerns about how financial matters are being managed need to be brought to the attention of the AM Treasurers' Committee on behalf of AM Trustees. This may be done informally in the first instance.

8 Bookkeeping and managing accounts

Treasurers should keep their records using the agreed Excel spreadsheets. Using one system enables training and support to be given and mutual assistance as necessary. It will also make consolidation easier.

See attached minutes for deadlines etc.

Treasurers and bookkeepers should keep their accounts up to date with monthly, quarterly and annual bank reconciliations. All accounts should be reported using the agreed Statement of Financial Activities (SoFA) attached and in accordance with the current (2015) Charities Statement of Recommended Practice (SORP).

The monies in Premises accounts are the assets of LQPT and managed for them acting as agent. The LQPT Handbook should be consulted about the conduct of these accounts. The accounts should be reconciled quarterly and reported promptly to LQPT using the standard format. Where the net rents are in surplus, a cheque or transfer of funds should be sent to LQPT by the end of the following quarter or earlier if possible. A copy of the LQPT quarterly return should be sent by email to the nominated LQPT representative in this AM and Clerk of AM's Treasurers' Committee.

9 Bank Accounts

As the monies held in Meeting bank accounts are mostly assets of NETAQM, the Trustees of the Area Meeting carry the legal responsibility for the conduct of all bank accounts.

Any proposed changes to existing bank accounts holding any NETAQM monies or acting as agent monies must be notified to NETAQM Trustees (herein after, The Trustees) or initially to the Clerk of the AM Treasurers' Committee. This includes any change to signatories or plans to run the account online.

The Trustees must authorise in writing the opening of any new bank accounts.

Debit cards associated with these bank accounts are not to be used and no credit cards are to be issued in respect of these accounts.

10 Cheque signing and online authorisation

All cheque signatories and online authorisers must be notified to the Trustees when appointed. The Clerk to the AM Treasurers will keep a register of these names. Both members and attenders in good standing can be signatories and online authorisers.

Only members can be **sole** cheque signatories.

All online payments and all cheques exceeding £100 must have dual authorisation/signature

Authorisation to set up a direct debit or standing orders should be minuted by the AM, LM or premises committee as appropriate.

Normally employees and volunteer wardens may act as bookkeepers and have read-only access to online accounts. Exceptions can be agreed by Treasurers' Committee on behalf of Trustees.

11 Cash handling and petty cash

Wherever possible, payments should be made by cheque, standing order, direct debit or other method avoiding cash.

Meetings are encouraged not to run petty cash systems and never for items exceeding £20. All petty cash dealings need to be recorded and these records form part of the accounts of the meeting. Till receipts should be kept for items like catering supplies.

Cash collections should be recorded whenever collected and ideally checked by a second person.

If the donor can be identified, cash received exceeding £50 should be acknowledged by email or a receipt given. Copy of the receipt or a printout of the email to be retained in the records.

Cash should be paid into a bank promptly and at least once a month. Itemised details should be put on the paying in book stub or otherwise recorded e.g. £15 collection and £2.50 for booklets.

12 Gift Aid and CAF vouchers

If Members and attenders pay UK income Tax or Capital Gains tax, Area Meeting may be able to claim back basic rate tax on their contributions if they are eligible and have signed a Gift Aid declaration. The Area Meeting will collect gift aid where contributions have been sent directly to it. Local Meeting Treasurers should collect it on contributions made through Local Meetings using the registration number issued by HMRC. Reclaims should be made once a year using the online forms on the HMRC website.

CAF vouchers include Gift Aid so further tax cannot be reclaimed. Vouchers should be sent to CAF for the sum to be credited to the appropriate bank account. Information is on the back of the voucher.

13 End of the year account checking, the Annual Consolidation and Independent Examination

As soon as the end of year bank statement is available, the accounts need to be reconciled and the annual SoFA prepared by the LM treasurer, Premises treasurer, High Leigh treasurer or AM Bookkeeper/treasurer.

A Friend from another meeting, approved by the Treasurers' Committee, must check the accounts. Checking the account requires ensuring the cheque books, paying in books and details of receipts and payments tally with the accounts spreadsheets, bank statements and the SoFA. A signed statement to this effect should be attached to the accounts. The SoFA,

end of year bank statement and signed statement should be sent to the Trustee (Finance), who will arrange for the AM accounts to be consolidated for independent Examination and reporting.

The AM's Consolidator of accounts will produce a SoFA showing all the constituent accounts of the NETAQM. This, together with the paperwork for the Area Meeting's accounts, end of year bank statement, and SoFA are sent for Independent Examination. In addition, one set of Local Meeting accounts are also examined each year. The Independent Examiner is currently Murus Smith Accountants.

Once examined and any issues resolved, the examiner will sign off the accounts in accordance with charity reporting. The accounts and annual report are approved by Trustees and signed by the Clerk to Trustees and the Trustee (Finance). The Trustees will send a copy of the Annual Report and Accounts to BYM at Friends House for their records. This should take place by August following the end of the year.

14 Keeping and Storing records.

It is important that all financial records on paper and held electronically are kept for seven years.

At the end of the year, the paper records including cheque books and paying in books and printouts of the electronic records should be filed together and stored safely preferably at the Meeting House, or where this is not possible, the Local Meeting should note where they are being kept. Electronic records should also be held on a USB stick or on a DVD. A metal storage cupboard will be provided at Wanstead MH for paper records and a private Cloud space for electronic records in due course.

A copy of the consolidated accounts for each year is retained at Friends House and by the examiner of the consolidated accounts.

15 The AM Financial Appeal

Each year the AM Treasurers' Committee will prepare a financial contribution appeal pack to go to all members and attenders, at the discretion of local overseers. This will include information about the financial needs of BYM, the area and local meetings, offer guidance on contributions, forms for regular giving and gift aid.

Forms for new or revised Standing Orders need to be sent to the originator's bank by the local or area meeting treasurer.

The Treasures' Committee will prepare a draft area meeting budget at their October meeting each year and Trustees will consider it for approval before the end of December.

16 The Area Meeting's budget and reserves policy

Trustees will aim to balance the budget and to retain in reserve at least 6 months of AM expenditure not including the London Quakers Property Trust (LQPT) Quota or any donations for BYM. The Area Meeting, via the North East Thames Quaker Trust gives £20,000 a year to SWM and it is not practical for the AM to attempt to raise any more in one year for the upkeep of Meeting Houses other than the Quota. Donations to BYM will reflect the state of the finances through the year with the aim of BYM receiving from members of the Area Meeting at least the average contribution made throughout the rest of the country.

17 National Support for Treasurers

Quaker Stewardship Committee

Quaker Stewardship Committee is a committee of Britain Yearly meeting and gives help, guidance and active monitoring to meet the requirements of charity law in the stewardship of finance and property, encouraging openness, accountability, transparency and integrity in all our affairs. (from Qfp 14.38)

There are general resources at www.quaker.org.uk/treasurers

Treasurers' Conference and Trustees' and Treasurers' News

Quaker Stewardship Committee arranges an annual treasurers' conference and publishes the online newsletter to help treasurer's keep up to date with issues including changes in legislation. This is essential reading for AM Trustees and treasurers and is produced three times a year. To subscribe: treasurers should contact Gaby Scott at gabys@quaker.org.uk or on 020 7663 1045

It is helpful if at least one treasurer in the AM can attend the conference each year and arrange feedback to the other treasurers. The cost of attendance will be covered by the area meeting.

The Association of Church Accountants & Treasurers (ACAT)

Britain Yearly Meeting has paid for ACAT membership for all meeting treasurers. Member services including access to the online version of their handbook can be accessed at www.acat.uk.com. All meeting treasurers should have received login details

For more information, please contact the Personal Assistant to the Recording Clerk at heleng@quaker.org.uk or on 020 7663 1161