

# 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.*

## 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 the Local Meetings 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. Surpluses should be transferred to the Area Meeting (AM) account preferably quarterly but at least annually. A proportion of donations and contributions are only made at local level, so this transfer of funds to Area Meeting is essential. The AM will agree an amount to be donated to BYM but may consider that surpluses beyond this may also be donated to BYM at the discretion of Trustees.

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

## 3. Local Meeting Funds transferred into the Area Meeting Account

A Local Meeting needs to make a Minute at a Meeting for Worship for Business agreeing to close their bank account and transfer their Local Meeting funds into the Area Meeting funds and bank account.

Once it is clear what actual sum is to be transferred, preferably by stopping all financial activity through the account a few months before transfer and producing a set of accounts and bank statements showing the assets, a cheque for the final sum can be sent to the AM book-keeper or the sum can be transferred by BACS. Normally funds will be wholly subsumed into the AM account rather than being kept as a designated fund.

Continuing contributions from local Friends will need to be set up preferably as either standing order payments into the AM account or as online payments. CAF vouchers or cheques payable to the AM can also be sent to the AM Book-keeper.

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### 4. Guidance to Local Meetings (LMs) using the AM account for financial transactions

Local Meetings (LMs) without local accounts may claim reimbursement for financial transactions necessary to the life of the Meeting.

The arrangement operates as follows:

- The AM Treasurers' Committee will agree draft budgets for each of these LMs in their 4<sup>th</sup> quarter meeting to recommend to AM Trustees.
- An LM budget is then approved by a Local Meeting for Worship for Business at the start of the year. The Clerk will minute this and send to AM Trustees and the AM Treasurer/Book-keeper.
- Expenses are claimed from the AM Treasurer/Book-keeper using the designated claim form with receipts, explanation and a minute attached as appropriate.
- The AM Treasurer/Book-keeper will report expenditure to the Clerk of the LM to advise them of their expenditure at the end of the 3<sup>rd</sup> Quarter or earlier if they are approaching or have exceeded their agreed budget limit.
- Local Meetings should ensure that they remain aware of the work of the Area Meeting Treasurers' Committee (AMTC). Where there is no Treasurer at a Local Meeting the minutes of the AMTC will be forwarded to the Clerk.

#### Example budget for an LM

Literature	£ 100
Developing our meeting events/catering	£ 200
Stationery, stamps, communications	£ 50
Children's meeting activities/resources	£ 150

Expenditure may vary during the year and further minutes are not required if the overall funds required remain within the initial envelope set.

Where Local Meetings identify additional financial needs beyond their initial budget eg for an outreach event, Quaker Quest, or new support for the Meeting, this should be minuted by the LM and sent to AM Trustees for discernment and approval before any expenditure is incurred.

The Claim form will allow Friends to report a claim but donate it back to the AM and indicate that Gift Aid may also be claimed for it.

A copy of the Expenditure Claim form is included as an Appendix to this policy.

### 5. Use of Funds

Funds can only be used in pursuit of our charitable object, in accordance with a minute or within the parameters of an agreed budget. Where expenditure is not routine such as

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Outreach 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. Routine expenditure by Local Meetings without an account is covered by the budget setting minute of the LM. This is especially important where individuals are purchasing items or a service on behalf of the Meeting, perhaps on a personal credit card, and will need to make the appropriate claim, supported by receipts to be reimbursed personally.

An expense claim form is available on the AM website to make small claims to the AM Treasurer/Book-keeper against any agreed LM budget, or minuted expenditure authorised by the LM or AM.

As all the monies in the Local Meeting accounts, except acting as agent funds (see the next section), 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.

### 6. Giving to other charities

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 the 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 will need to show in their authorising minute how the gift fulfils the charitable 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.*

The handling of such funds need not form part of the accounts but must nevertheless be properly minuted. When such funds are handled in the accounts they should be recorded as acting as agent.

The role of Quaker Stewardship Committee is set out in Quaker Faith and Practice 14.38 and 14.39, offering guidance to Meetings and active monitoring to meet the requirements of Charity Law.

### 7. Acting as agent for London Quakers Property Trust (LQPT) and the annual quota payment

The funds in Premises accounts are the assets of LQPT and managed for them acting as agent. LQPT collects the net income from room hire and from the AM quota payments, to hold as a pooled fund to maintain and improve all the LQPT buildings and grounds.

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The room letting funds in Premises accounts are the assets of LQPT and managed for them by LMs acting as agent. In our role acting as agent on behalf of LQPT:

- None of the income from room hire accrues to the Local Meeting.
- Local premises treasurers act as LQPT's agent for collecting and holding rent income.
- LMs are responsible for routine maintenance and cleaning, repairs and equipment renewal; parameters for these eligible costs are set out the LQPT handbook.
- None of the eligible costs are a liability for the Local Meeting.
- The LM pays for eligible costs from room hire income.
- Costs exceeding the limits are to be checked with LQPT staff.
- For non-essential costs relating to other improvements, a business case should be submitted to LQPT, and may be supported by local donations.
- Emergency repairs are to be reported to LQPT staff who will review and agree funds.

Each LM premises committee treasurer makes a quarterly return to LQPT setting out:

- The amount of income from room hires,
- Spending on eligible costs,
- Net rent returned to LQPT.

A copy of the LQPT quarterly return should be sent by email to the nominated LQPT representative in this AM, the Clerk of AM's Treasurers' Committee and the AM Treasurer.

The LQPT Handbook should be consulted about the management and reporting of these accounts.

The LQPT Quota is a sum of money paid annually into LQPT pooled funds by the Area Meetings, determined by LQPT's annual budget in consultation with the AMs. The total amount of the annual LQPT quota derives from previous years spend adjusted for inflation. The total amount is then divided between the seven Area Meetings in proportion to their membership, based on the previous year's Tabular Statement. AM Treasurers are asked to make annual or quarterly payments.

### 8. Area Meeting Treasurers' Committee (AMTC)

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, attender or contracted employee undertaking financial work e.g. bookkeeping for an LM or 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 will include 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.'*

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*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.

Where an LM has no treasurer, the AMTC minutes will be sent to the LM Clerk. The LM Clerk, or alternate, may attend the AMTC meetings at the discretion of the Treasurers’ Committee clerk.

### **9. The appointment of Treasurers, Book-keepers and others associated with AM Finances**

The appointments of the AM book-keeper or AM Treasurer 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. If a suitable member cannot be found for these roles within the local meeting, the matter should be notified to AM Nominations to discuss a way forward.

The appointment of AM and LM account signatories is the responsibility of AM Trustees and is delegated to AM Treasurers’ Committee. The Clerk of AM Treasurers’ Committee will keep a record of bank accounts and signatories.

It has been accepted by LQPT that for Premises Treasurers where volunteers cannot be found among LM members, a professional book-keeper or accountant may be appointed and funded out of net rents of the Meeting House, where income permits. Similarly, with building managers and paid wardens. AM Trustees act as employers and AM manages and funds employment costs jointly with LQPT.

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.

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### 10. The responsibilities of Treasurers, Book-keepers and others associated with AM finance.

A job description for the role of Treasurer is available on the website.

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 meetings. Some book-keeping 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 role-based Woodbrooke courses.

Where a treasurer or another person entrusted with responsibility for financial matters is no longer able, even for a temporary period, to carry out their role, they must inform the Clerk of Treasurers' Committee so an alternative arrangement can be made.

### 11. 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 which 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 Clerk on behalf of AM Trustees.

### 12. Book-keeping 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.

All the relevant deadlines for completing, checking and consolidating the accounts prior to external examination are set out in Treasurers' Committee minutes and supporting documents.

Treasurers and book-keepers 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) and in accordance with the current (2015) Charities Statement of Recommended Practice (SORP).

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### 13. Bank Accounts

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

Any proposed changes to existing bank accounts, such as to signatories or plans to run the account online, holding any NETAQM funds or acting as agent funds must be notified to the Clerk of the AM Treasurers' Committee

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.

### 14. Cheque signing and online authorisation

All cheque signatories and online authorisers must be notified to the Clerk of AM Treasurers' Committee, who will keep a register of all cheque signatories and online authorisers. Members in good standing can be signatories and online authorisers.

All online payments and all cheques must have dual authorisation/signature.

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

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

### 15. Cash handling

Wherever possible, payments should be made by electronic transfer, cheque, standing order, direct debit or other method avoiding the use of cash.

Meetings should not run petty cash systems. Till receipts should be kept for items like catering supplies, stationery or postal costs and claimed from the LM or AM Treasurer.

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

Local Meetings that do not have a bank account, will need to arrange to deposit cash to the Area Meeting's account and inform the AM Treasurer/Book-keeper. Members of good standing may do this via their own bank account and transferring the amounts electronically to the AM account and should inform the AM Treasurer/Book-keeper.

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### **16. Gift Aid and CAF vouchers**

If members and attenders pay UK income Tax or Capital Gains tax, the Local or 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 Local or Area Meeting will collect gift aid where contributions have been sent directly to it. Local Meeting Treasurers should collect it on contributions made through the Local or Area Meeting 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.

### **17. 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 Book-keeper/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 account's 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 appointed by minute annually by the Area Meeting on the recommendation of the AM Trustees

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 or the Charity Commission, as appropriate, for their records. This should take place by August following the end of the year.

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### **18. 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 and when no longer required, filed in the metal storage cupboard, which is provided at Wanstead MH for paper records. A private Cloud space for electronic records may be provided in due course.

A copy of the consolidated accounts for each year is retained at Friends House by Quaker Stewardship Committee, by the examiner of the consolidated accounts and filed with the AM Trustees minutes. A copy is posted to the AM website.

### **19. Encouraging financial giving by Friends**

As discretionary giving by individual Friends is the main source of income, the AM Trustees and Treasurers' committee will determine ways to encourage financial giving by Friends from year to year. This will include information about the financial needs of BYM and the Area Meeting, targets for income, guidance on the amount to give, forms for regular giving and how to authorise gift aid. Guidance and advice is available from Friends House on fund-raising.

Forms for new or revised Standing Orders need to be sent to the originator's bank by the Local or Area Meeting treasurer.

Appeals information is provided by the AM Trustees and coordinated by the Clerk of the Treasurers' Committee in consultation with Friends House and then passed to Local Meetings for distribution.

The Treasures' Committee will prepare a draft Area Meeting budget at their October meeting each year based on previous levels of giving and current commitments and expenditures and Trustees will then consider it for approval before the end of December.

### **20. The Area Meeting's budget and reserves policy**

Trustees will aim to balance the budget and to retain in reserve of at least 6 months of AM expenditure not including the London Quakers Property Trust (LQPT) Quota or any donations for BYM.

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## 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 QF&P 14.38)

There are general resources at [www.quaker.org.uk/treasurers](http://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](mailto: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](http://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](mailto:heleng@quaker.org.uk) or on 020 7663 1161

**Appendix – Local Meeting Claim Form and Gift-Aid Declaration**

# Local Meeting Expenses Claim Form

This form can be used for Local Meeting expenses where Local Meeting (LM) accounts have been closed and funds and donations have been transferred and subsumed into the Area Meeting Account.

Claims should be sent to the AM Treasurer/Bookkeeper by post or by email:

Jim Grigg, NETAQM Treasurer/Bookkeeper  
 10, Grange Close  
 Leigh on Sea  
 Essex SS9 4JD

Email: [jim.grigg@btinternet.com](mailto:jim.grigg@btinternet.com)

Please see the notes overleaf and complete the Gift-Aid declaration if donating these expenses and they are eligible.

..... **Local Meeting (name of LM)**

**Name of Claimant** .....

Nature of expense (please scan or attach invoices/receipts)	Amount claimed	LM Minute Reference

**Signature of Claimant** .....

**Date** .....

**Address for cheque payment:**

.....  
 .....  
 .....  
 .....

**or bank account details for bank transfer**

**Name of Account holder** .....

**Sort Code xx-xx-xx** .....

**Account number xxxx xxxx** .....

Please indicate here if you wish to donate your expenses to the Area Meeting.

If this donation is eligible for Gift-Aid, please indicate here

If you have not completed a Gift-Aid declaration recently, please complete the Gift-Aid Declaration below and attach to this form.

# Local Meeting Expenses Claim Form

## Notes

All expenses should be accompanied by receipts or invoices as appropriate and a reference to the authorising minute from the LM.

LMs will be allocated an annual budget as recommended by the Area Meeting Treasurers' Committee at their 4<sup>th</sup> quarter meeting and confirmed by Trustees. LMs should make a minute explaining what this budget covers and copy to the AM Treasurer/Bookkeeper. Expenses not covered by this budget minute for that year will need a separate authorising minute from the LM.

Any exceptional expenses above the agreed budget level must be authorised by AM Trustees in advance. The LM should minute their request and send to AM Trustees via the AM Treasurer/Bookkeeper.

LM minutes should indicate the purpose of the expenditure and how it fulfils the charitable objects of NETAQM (see the NETAQM Finance Policy, paragraph 3,4 & 5 for guidance).

Payments to claimants will be made by bank transfer or by cheque to the person claiming as appropriate.

# Gift Aid declaration

## North East Thames Area Quaker Meeting



### Boost your donation by 25p of Gift Aid for every £1 of your Quaker giving

Gift Aid is reclaimed by the charity from the tax you pay for the current year. Your address and **FULL LEGAL NAME** is needed to identify you as a current UK taxpayer.

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*In order to Gift Aid your donation you must tick the relevant box(es) below:*

I want to Gift Aid my donation of £\_\_\_\_\_ made today, and any donations that:

I make in the future

I have made in the past 4 years

to **North East Thames Area Quaker Meeting**.

I am a UK taxpayer and understand that if I pay less Income Tax and/or Capital Gains Tax than the amount of Gift Aid claimed on all my donations in that tax year, it is my responsibility to pay any difference.

#### ***My details:***

**First name(s)**

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**Family name/surname**

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**Full home address**

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**Signature** \_\_\_\_\_ **Today's date** (DD/MM/YY) \_\_\_\_\_

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#### ***Gift Aid notes***

Please notify the Area Meeting treasurer if you:

- want to cancel this declaration
- change your name or home address
- no longer pay sufficient tax on your income and/or capital gains

If you pay Income Tax at the higher or additional rate and want to receive the additional tax relief due to you, you must include all your Gift Aid donations on your Self Assessment tax return or ask HM Revenue and Customs to adjust your tax

**Note to treasurer:** if the declaration is cancelled, cross through this form and keep in file.