

Chapter 14

Finance

GIVING FOR QUAKER WORK

14.01 How we raise and administer our financial resources affects both the interrelatedness of our service and the quality of the work itself.

Beryl Hibbs, 1985

The need for money

14.02 Within Britain Yearly Meeting money is needed for:

- a. strengthening the life and witness of our local meetings;
- b. spreading the message of Friends and interpreting and developing the thought and practice of the Religious Society of Friends;
- c. undertaking our service for the relief of suffering at home and abroad;
- d. funding the concerns of Friends that our meetings have adopted or agreed to support;
- e. providing for the pastoral care of individual Friends, including assistance to those in need and for education;
- f. maintaining and developing our meeting houses as places in which to worship and from which to carry our witness into the world;
- g. administering and maintaining the organisation of Britain Yearly Meeting.

14.03 Our first financial responsibility is to our own meeting. All Friends and regular attenders should help, in accordance with their means, to meet the costs of having a place for worship and of running the meeting and its chosen activities.

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- 14.04 Our area meetings, where our membership lies, are the backbone of our yearly meeting. These need our financial support so that they may carry out their functions as described in chapter 4.
- 14.05 Beyond our own area meeting, funds are required for the wider organisation of Friends and the work we undertake centrally. Without these we would be a scattered collection of small meetings with no coherence or shared witness.
- 14.06 The concerns of individuals and of groups have led Friends to undertake work which needs the help of permanent staff and of a central organisation. Britain Yearly Meeting Trustees are responsible for many committees and oversee the centrally managed work (see chapters 7 & 8). This work is financed through the Yearly Meeting Funds (14.12-14.15).
- 14.07 It is important that Friends should make themselves aware of the activities which need their support. Details of the work financed centrally are available in publications distributed through meetings by Quaker Communications. The *Trustees' annual report & accounts* is published each year (6.25).

The schedule

- 14.08 In most area or local meetings a contribution schedule is sent to members and regular attenders annually, assisting them in contributing to local funds and the Yearly Meeting Funds, and in directing funds to particular uses, if so desired. Contribution schedules for distribution through meetings are available from Quaker Communications. Meetings are urged, in appointing treasurers, to ensure that they are conversant with the financial needs of Britain Yearly Meeting and are prepared to bring them to the notice of Friends. Local overseers should be consulted as to which members and regular attenders should, and which should not, receive schedules (see 12.13.m). Some meetings have found it best to appoint two Friends, one to undertake the financial administration, the other a collector, who encourages and advises Friends and attenders in their giving (see 13.44).

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Contributions can be considerably increased by the use of deeds of covenant and such other tax-effective means as may currently be available (for example Gift Aid), which enable the yearly meeting to benefit at no extra cost to the donor. Such arrangements also have the advantage that those who have a conscientious objection to any part of their taxes being used for military purposes can effectively redirect some tax to the work of the yearly meeting. Leaflets about tax-effective means of giving and advice on fundraising methods may be obtained from Quaker Communications.

See 29.02

Legacies

- 14.09 When drawing up a will, Friends are urged to consider bequeathing money for Quaker work. Income from legacies continues to be very important.
- 14.10 When a legacy is made to Britain Yearly Meeting, or one of its constituent meetings, it is best if Friends Trusts Limited is named as the beneficiary. Any special directions or wishes as to the purposes for which the legacy is to be used should be clearly specified, bearing in mind that any such use must fall within the general charitable purposes and programmes of the yearly meeting. In case the intended purposes do not remain applicable it is advisable not to make such directions or wishes legally binding. In the absence of any directions the legacy will be used for the work of the yearly meeting as a whole. Further advice on the wording of legacies can be obtained from Quaker Finance & Property.

Use of funds

- 14.11 It is a requirement of legislation governing charitable status that all funds belonging to Britain Yearly Meeting and its constituent meetings, whether held locally or centrally, must be used exclusively to further its charitable purposes. Friends as individuals can contribute to other causes and such contributions can be given to a

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special collection arranged by a meeting, but there should be no contribution from the funds of the meeting itself.

THE YEARLY MEETING FUNDS

- 14.12 The Yearly Meeting Funds are charged with meeting all the central expenses of Britain Yearly Meeting; the administration of the Recording Clerk's Office and the holding of Yearly Meeting, Meeting for Sufferings and their committees; the centrally managed work; the maintenance of Friends House and other yearly meeting properties; the provision of the Library; the central support services for finance, personnel, premises and communications; the expenses of Friends attending Meeting for Sufferings and committees for central work; grants and subscriptions to other bodies and individuals; and such expenses as are authorised from time to time by or on behalf of Yearly Meeting, Meeting for Sufferings or Britain Yearly Meeting Trustees.

- 14.13 The income of the Yearly Meeting Funds is raised from individual contributors and meetings in response to information about the financial requirements for the centrally funded work of the yearly meeting; from legacy income from Friends and other supporters; also from grants and contributions from sources outside Britain Yearly Meeting, from dividends and interest from investments, and from rents for the commercial offices in Drayton House and other investment properties.

- 14.14 The Quaker Finance & Property Central Committee is charged with the stewardship of the Yearly Meeting Funds under the direction of Britain Yearly Meeting Trustees. Bank accounts are kept in the name of Britain Yearly Meeting and cheques are signed by the Recording Clerk or the Finance & Property Secretary or any other person duly authorised by the Quaker Finance & Property Central Committee. Funds which cannot be expended immediately are invested at the discretion of the Quaker Finance & Property Central Committee in accordance with legal constraints and the generally acknowledged ethical testimonies of Friends. Stewardship of the resources of the

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yearly meeting includes oversight of investments, property and all other assets, and financial resource planning.

- 14.15 Management Meeting (8.21) prepares annual estimates of expenditure and income for the centrally managed work within the guidelines agreed by Britain Yearly Meeting Trustees. These budgets are presented to the Trustees. Once approved the estimated expenditure should not be exceeded in any major degree. Major new commitments may not be entered into, nor major work laid down, without notifying Meeting for Sufferings (see 7.03.a).

Annual Conference of Treasurers

- 14.16 The Annual Conference of Treasurers is held in order that the financial results of the previous year can be reviewed and budgets for the current year explained. It should be informed of the existing and proposed work of the yearly meeting, the funds available and to be raised, and the methods of fundraising proposed. The conference is free to consider any aspect of the financing of that work, and may advise Meeting for Sufferings by minute concerning any matter of finance or fundraising. The conference shall appoint its own committee with appropriate terms of reference and membership.
- 14.17 The membership of the conference is as follows: the treasurer for the time being, or other appointed representative, of each area meeting, and of Young Friends General Meeting; members of the conference committee; representatives of central and standing committees; with appropriate members of the Management Meeting in attendance.

See also 8.13

STEWARDSHIP OF OUR FUNDS

- 14.18 A fundamental principle of this part of our church government is corporate integrity. All Friends share responsibility for upholding this principle. This means that at every level of our church

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government Friends must be seen to be above reproach in our corporate, as well as our personal, conduct in respect of finance and property. We hold these assets in trust and the way we use and develop them is an important part of our witness. Whether we are formally appointed trustees for a period of service or not, each of us has responsibilities for the provision and stewardship of money, premises and other material resources belonging to the meetings of which we are members.

- 14.19 Churches have traditionally been trusted to manage their own affairs with minimal supervision from the civil authorities. This self-regulation is, however, being called increasingly into question, as social attitudes change, as abuses committed in the name of religion come to light, and as public bodies such as the Charity Commission take a closer interest in the financial arrangements of all charities. We must be sensitive to the new climate of opinion and accept social expectations which require of us a new openness to scrutiny by outside agencies. So long as our standards of corporate integrity, as well as of personal probity, remain of the highest order we shall have nothing to fear from public interest in our financial arrangements.

See also 20.54-20.66 on personal conduct in financial affairs

Accounts

- 14.20 All accounts held for meetings, committees and other Quaker bodies in banks and building societies must be held in the name of the meeting, committee or other Quaker body, and not in the name of any individual. The conduct of the account is the corporate responsibility of the account-holding body. It is recommended that the treasurer, the clerk and at least one other Friend should be authorised signatories and this must be recorded in the minutes and certified by the clerk to the bank or building society in which the account is held. All changes of authorisation must be promptly notified under the same procedure, with the clerk certifying the authenticity of the minute. It is good practice to allow cheques to be drawn and withdrawals only made up to a specified amount on the treasurer's authority alone, while cheques and withdrawals of larger

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amounts require more than one of the authorised signatures. Account-holding bodies are advised to review their arrangements in this regard at regular intervals.

- 14.21 Treasurers and other Friends particularly involved in the financial administration of their meetings are recommended to make themselves familiar with the detailed advice contained in the *Treasurers' handbook*, obtainable from Quaker Communications and online at www.quaker.org.uk/qfp.
- 14.22 In order that financial responsibility is assured, proper accounting records must be kept including all the transactions and the assets and liabilities of the meeting. An annual statement of accounts must be prepared and this must be examined by an independent person who has the requisite ability and practical experience to carry out a competent examination of the accounts before they are considered by the responsible meeting, committee or other Quaker body and, if approved, accepted. If a Friend is appointed he or she should not have been involved in the accounting or property and financial management of the meeting concerned. If the gross income or the total expenditure in any year or in either of the two preceding years exceeds the current limit as specified in charity legislation then the examination must be carried out by a qualified auditor.
- 14.23 Legislation sets out the general provisions for keeping accounts and for their supervision by the Charity Commissioners in England & Wales and by the Office of the Scottish Charity Regulator in Scotland. The detailed requirements are subject to orders made from time to time by the Secretary of State and further information on these is obtainable from Quaker Finance & Property. It is expected that the report and accounts of each area meeting will normally encompass the financial affairs of all its constituent meetings. A copy of the latest accounts must be provided to any member of the public on request. Accounting records must be preserved for at least six years after the end of the financial year to which they relate.

Ethical investment

- 14.24 Friends are rightly concerned about the effects of their investments (see 20.56-20.57). Those responsible for investments on behalf of Friends should refer to 15.07. A meeting or committee should consider ethical criteria when choosing investments, but in so doing should try not to increase the work of the treasurer, particularly if the amount of money involved is small. A treasurer can usefully seek guidance from the meeting or committee concerned.

Personal liability

- 14.25 Treasurers and others acting on behalf of a meeting, committee or other Quaker body ought not to be held personally liable for any loss so long as they have acted reasonably, in good faith and on the best advice available to them. It is the responsibility of the meeting, committee or other Quaker body to exercise the necessary care, and in particular to set bounds to the latitude of decision allowed to its treasurer and others acting on its behalf. Indemnification against personal loss and liability cannot be expected if these bounds are exceeded.
- 14.26 Trustees incur additional responsibilities, some of which impinge on them as individuals. They are answerable at law for the conduct of their trust. Advice on the Quaker understanding of trusteeship is given in the next chapter (15.03-15.05) and in the *Treasurers' handbook* (14.21). General guidance on the legal position of trustees will be found in leaflets available from the Charity Commission, or in Scotland the Inland Revenue, and specific advice can be obtained from these bodies when required.

Quaker Stewardship Committee

- 14.27 We accept... that a yearly meeting umbrella body be established to support our meetings in their stewardship and to co-ordinate the relationship between the yearly meeting and those administering charity law. This builds on what we already have, extending the

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mutual support between yearly meeting and area meeting to financial affairs. This also enables us to be clear that our own house is in order.

Britain Yearly Meeting, 2002

- 14.28 Area meetings are invited to accept help, guidance and active monitoring by the Quaker Stewardship Committee in order to meet the requirements of charity law. The committee will also cover general meetings, as defined in 5.02, and all other constituent meetings and other bodies which collectively form Britain Yearly Meeting. The committee may communicate by minute with all of these meetings and bodies. Advice on whether a body is included may be obtained from the Recording Clerk.

The aims of the Quaker Stewardship Committee are to support meetings in their stewardship of finance and property; encourage accountability, transparency and integrity in all our affairs and enable Friends to work with statutory bodies, such as those administering charity law, on issues that affect all meetings and their associated bodies.

The responsibilities of the committee shall be to:

- a. support treasurers and trustees in the service of their meetings through the stewardship of their finance and property;
- b. provide advice and guidance to meetings and other bodies within Britain Yearly Meeting;
- c. ensure that education and training is available to treasurers, trustees, independent examiners of accounts and other Friends involved in finance and property matters;
- d. help to ensure that every part of Britain Yearly Meeting is producing proper financial accounts and property registers;
- e. certify the fulfilment of d. annually to the Yearly Meeting;
- f. enable meetings to act within the laws relating to charities and trusts;
- g. disseminate good practice;
- h. liaise with the statutory and other external bodies (eg the Charity Commission) on issues that affect all meetings and

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their associated bodies and recommend to the Yearly Meeting any necessary changes in the umbrella arrangement or other matters affecting Friends' charitable status;

- i. put relevant Quaker views to agencies and government departments, eg the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, etc.

Terms of reference for the Quaker Stewardship Committee may be obtained on application to the Recording Clerk.

14.29 The Quaker Stewardship Committee shall comprise the following:

- a. nine Friends appointed by the Yearly Meeting, from names submitted by the Central Nominations Committee (6.21), for a three-year period beginning and ending at a Yearly Meeting, three members retiring annually though eligible for reappointment for a second term and exceptionally for a third;
- b. clerk and assistant clerk appointed by the Yearly Meeting annually from names submitted by the Central Nominations Committee (6.21);

together with the Recording Clerk and General Secretary of Quaker Finance and Property, ex-officio.

In case of a vacancy, Meeting for Sufferings is authorised to make an interim appointment up to the next Yearly Meeting.

14.30 To make the partnership with area meetings and other bodies work, the Quaker Stewardship Committee may actively monitor them to identify areas in which help and guidance might be needed. To do this it needs access to certain categories of information, and therefore expects area meetings and other bodies as required to supply it with relevant financial accounts, property registers and other appropriate information.

14.31 These regulations do not affect the general obligation on every area meeting to furnish Yearly Meeting, Meeting for Sufferings and

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appropriate general meetings with such nominations or information as may from time to time be required (4.16).