

South Wales Area Meeting (SWAM)

Financial Policy for LMs

This financial policy is maintained in accordance with the governing document of SWAM and the Memorandum of Understanding between the local meeting and SWAM accepted under Trustees committee minute 4b on 5th September 2009 as amended in minute 11(6) on 3th January 2010 and minute 9d on 11th August 2010.

1. LQM Oversight: The LQM shall take steps to monitor the operation of the accounts of the LQM. The treasurer shall normally report to the LM at least yearly. The signatories of all the accounts held by LQM shall be recorded by minute of the LQM. All accounts shall have a minimum of three signatories, the treasurer and two members of the LQM. Two signatures shall be required for amounts above a threshold, typically £50 for smaller meetings, to be determined by LQM involved. SWAM treasurer should be informed whenever changes are made to the details of bank accounts.

2. Recording Methods: Cash Books (record of income and expenditure). The treasurer should record, either electronically or manually, each item of income and expenditure. Income and expenditure should be analysed according to the required end of year categories. Reconciliation with the bank statement should be carried at suitable intervals, monthly in the case of large numbers of transactions or longer for smaller number but a minimum of 6 monthly is recommended.

3. Financial Year: The financial year shall run from 1 January to 31st December. End of year accounts should be prepared as soon as possible after 31st December in preparation for consolidation and reporting to the LQM.

4. Ethical Banking: The LQM should from time to time consider the ethical banking and investment of funds belonging to the LQM.

5. Budgets: LQMs are encouraged to use budgets if appropriate according to the size and activities undertaken by the LQM.

6. Insurance: Insurance for the buildings and activities of the LQM are the responsibility of SWAM. LQMs should check the details received from the SWAM insurance officer (normally the convenor of Trustees) annually. The employer's liability Insurance certificate should be displayed by those meetings with their own premises.

7. Authority for payments: No member of the LQM shall make a financial commitment on behalf of the LQM without specific authorisation. Expenditure is authorised either by minute of the LQM (its business meeting in session or committee where authorisation has been delegated), through the budget agreed by the LQM or through powers delegated by the SWAM trustees with regard to property and finance.

8. Expenses: Travel and accommodation expenses of those acting on behalf of the LQM can be claimed by application to the LQM treasurer. The mileage rate shall be set by SWAM from time to time but may generally be in line with the long term rate used by the Inland Revenue currently 25p.

9. Designated Funds. The use of these funds is at the discretion of the LQM and would normally consist of two main funds, the General fund and the Building fund (if appropriate). Other funds may be set up as deemed necessary by the LQM

10 General fund: This fund provides funds for the general purposes of the LQM as detailed in the LQM budget. The income should normally derive from contributions. The LQM treasurer shall endeavour to maintain a reserve of between 6 months to 1 year's operating expenditure in the fund. Surplus funds should be passed on to other Quaker purposes if not needed locally.

11. Buildings Expenditure: Where LQMs have a Meeting House it is recommended that a building fund is maintained. This fund shall normally derive income from lettings and provide a fund for the maintenance and improvement of the Meeting House interior fixtures and fittings. A reserve may be needed for emergencies depending on circumstances but note that AM funds include an emergency reserve of £10,000 which may be called upon.

12.1 Division of Responsibility: SWAM takes the responsibility for funding expenditure on the main fabric and major fixtures and fittings of Meeting Houses while the LQMs are generally responsible for funding expenditure on the internal decoration and furnishings of their own meeting houses except where this would place too great a burden on the LQMs finances. LQMs should have a regard for the condition of their Meeting House and advise SWAM of likely future expenditure in good time. Major expenditure on fixtures and fittings (above £1000) shall be capitalised and written off over 4 years.

12.2 AM Payments: Payments for work done locally when SWAM is responsible. The preferred payment method is for invoices for agreed expenditure to be certified by the LQM and presented to SWAM treasurer for payment. If necessary payments may be made by the local treasurer and reimbursed by SWAM (but note that this needs to be shown as an Acting As Agent (AAA) sum in the LQM accounts). Individual members should not normally undertake to pay suppliers directly. If an emergency arises and such a direct payment is needed, the invoice and a note of explanation should be forwarded to SWAM treasurer as soon as possible. For amounts above £1500 it is recommended that two representatives from the local LQM certify the invoice.

13 Gift Aid: Contributions and Reclaiming tax on Gift Aid. Contributors are encouraged to make use of Charities Aid Foundation or other organisations who can reclaim tax and provide standing order facilities. Contributors are otherwise encouraged to use standing orders to make donations to the LQM, SWAM and BYM as they wish. Cash contributions are also welcome and may have tax reclaimed if correctly recorded. Contributions may be made either individually or together to either the LQM or SWAM. If a gift Aid declaration is made then the LQM treasurer or the SWAM treasurer shall reclaim the tax due at suitable intervals typically 6 months or yearly if the sums are small. Sums collected for other parts of SWAM/BYM should be passed on at similar intervals. It is recommended that payments in one year be completed before the year end to avoid carrying over sums (called accruals). The Gift Aid Declarations need to be retained by the LM or AM treasurer who is making the claim.

14 Collections: Cash collections made for organisations outside of BYM e.g. Shelter should be checked at the time of the collection, recorded and remitted to the organisation as soon as reasonably practical after the final collection for that organisation is made. These are recorded as Acting As Agent (AAA) sums in the year end accounts. If there are a great number of collections then either there should be a separate account for collections or the instigator of the collection should arrange for the money to be collected and passed on, recording the information as above in a cash book kept in the Meeting house for the purpose. A receipt should also be obtained.