

South Wales Area Meeting (SWAM)

Financial Policy

This financial policy is maintained in accordance with the governing document of SWAM and Trustees terms of reference accepted under Property & Finance committee minute 4 on 14th July 2007 and further amendments agreed 8th December 2007 is to be read subject to it and any further amendments to it.

1. The Trustees shall take steps to monitor the operation of the accounts of SWAM. The treasurer shall normally report to the trustees at each Trustees meeting.
2. The Trustees should from time to time consider the ethical banking and investment of funds belonging to SWAM.
3. The signatories of all the accounts held by SWAM , including its component Local Quaker meetings (LQMs), shall be recorded by minute of SWAM or the associated LQM. All accounts shall have three signatories, the treasurer and two members of the trustees in the case of SWAM or other officers in the case of LQMs. Two signatures shall be required for amounts above a threshold to be determined by SWAM or the LQM involved.
4. The treasurer shall present a budget for the forthcoming year for consideration at the last SWAM meeting of the preceding year. LQMs are encouraged to use budgets if appropriate according to the size and activities undertaken by the LQM.
5. Insurance for the buildings and activities of SWAM shall be checked by the insurance officer (normally the convenor of Trustees) annually. Copies of the insurance policy shall be distributed to each meeting and interested party. The proportionate amount of insurance shall be reclaimed from any long term tenants in accordance with their letting agreement. (see also schedule of assets)
6. The financial year shall run from 1 January to 31st December
7. No member of SWAM shall make a financial commitment on behalf of SWAM without specific authorisation. Expenditure is authorised either by minute of the SWAM, through the budget agreed by SWAM or through powers delegated to the trustees with regard to property and finance.
8. Travel and accommodation expenses of those acting on behalf of SWAM can be claimed by application to SWAM treasurer. The mileage rate shall be set by SWAM from time to time but should generally be in line with the long term rate used by the Inland Revenue.
9. Applications for grants from the 'Grants' budget or the 'Maes-yr-haf' fund shall be supported by two elders or overseers and agreed by the treasurer and one other trustee.
10. Expenses for Meeting for Sufferings are the responsibility of Britain Yearly Meeting (BYM) and can be claimed directly from Friends House or alternatively from the SWAM treasurer who will reclaim them from BYM at intervals during the financial year.

11. Designated Funds. These use of these funds are at the discretion of SWAM and consist of two main funds, the General fund and the Building fund. Trustees will monitor the performance and state of SWAM funds and report to SWAM periodically and recommend further action if required

12.1 General fund: This fund provides funds for the general purposes of the Area Meeting as detailed in the budget. SWAM treasurer shall endeavour to maintain a reserve of between 6 months to 1 year's expenditure in the fund.

12.2 Buildings fund: This fund shall provide a minimum reserve of 0.5% of insured value (currently £10,500) for emergencies. Further income will be used for the ongoing maintenance of meeting houses in the care of South Wales Area Meeting and to build up reserves for property improvement that shall from time to time be carried out in SWAM. It is recommended that 1% of the insured value should be put aside p.a. for these purposes.

It is advisable to carry out a survey on meeting houses from time to time in order to anticipate and agree a budget for future maintenance requirements across the whole of SWAM. Major Meeting house improvements shall be capitalised and will be added to the current asset value shown in the accounts.

Note that all property is held in trust by Friends Trusts Ltd, SWAM being the beneficial owner. Neath Meeting House can have no asset value as it would revert to the descendants of the Mackworth family if SWAM no longer had use of it.

The Building fund is funded by rents remitted directly from long term tenants except in the case of Cardiff LQM where rents are collected locally. Most building maintenance for Cardiff Meeting House is paid for directly by Cardiff LM out of its rental income and surplus rental income is remitted to SWAM.

SWAM takes the responsibility for funding expenditure on the main fabric and major fixtures and fittings of the other 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. Major expenditure on fixtures and fittings (above £1000) shall be capitalised and written off over 4 years.

Trustees should endeavour to obtain estimates of expenditure for the coming year to be considered at the first Trustees (P&F) meeting of the year (February) in the light of the overall budget for maintenance so that invoices for agreed expenditure can be paid promptly.

The preferred payment method is for invoices for agreed expenditure to be certified by the local LQM and presented to SWAM treasurer for payment. If necessary payments may be made by the local treasurer and re-imbursed by SWAM (but note that this needs to be shown as an 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.

12.3 Area Meeting Local Meetings Fund. This fund handles the collection and distribution of contributions made by SWAM members and attenders that they have earmarked for Local Meetings. Where gift aid forms have been received the tax is reclaimed periodically from HMRC and passed on. Distribution is made by *transfer* to the Local Meeting concerned.

13. Restricted Endowment funds.

13.1 Maes-yr-haf fund is restricted to educational purposes. A part of the income, approximately half the interest earned, will be re-invested to maintain the capital in line with inflation. The additional income and balance from year to year is available for distribution.

13.2 The Beed legacy is a capital sum to provide an income for the general purposes of SWAM. It is invested and the income credited to the building fund.

13.3 The Doncaster Endowment Fund is held in trust by Friends Trusts Ltd the income of which is credited to the building fund. If realised it can only be realised in full. *(Advice from Friends Trusts is that it should not be shown as part of SWAM assets but as a note to the accounts.)*

14. Restricted funds:

14.1 The Elsemere Bequest consists of capital and income restricted to use for repair of Swansea Meeting House Burial ground. This fund was wound up during 2007.

14.2 Area Meeting BYM fund. This handles the collection and distribution of contributions made by SWAM members and attenders that they have earmarked for BYM. Where gift aid forms have been received the tax is reclaimed periodically from HMRC and passed on.

15. Local Meetings Accounts

Local Meetings that are part of SWAM are considered to be designated funds of SWAM, that is designated for the purposes that the LQM undertakes in accordance with SWAM governing document, and the memorandum of understanding between SWAM and the LQM.

See SWAM LQM guidance for Treasurers Document for further information.

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