

**Financial Working Arrangements
for Ipswich & Diss Area Quaker Meeting
and its Local Quaker Meetings and Linked Charities**
(Charity Commission Number: 1134526)

1. Introduction

This document outlines the financial working arrangements and the segregation of financial roles and responsibilities in Ipswich & Diss Area Quaker Meeting (AM), its three linked charities as well as its six Local Quaker Meetings (LMs): Bury St. Edmunds, Diss, Felixstowe, Ipswich, Leiston, Needham Market and Woodbridge. The linked charities are the Ipswich & Diss Area Meeting Property Charity (1134526-1), the Richard Waynforth Trust (1134526-3) and the Agnes Moss Bequest Trust (1134526-4).

2. Segregation of Roles and Responsibilities

No single individual within the AM ever has sole responsibility for any single transaction from authorisation to completion and review. This holds true for the AM, the LMs and the linked charities.

The AM's segregation of financial duties is supported through the financial roles of AM treasurer, assistant AM treasurer (if there is one), LM treasurers, LM collectors, PAYE, payroll and pension administrator, independent examiner and internal auditor. The basic requirements and responsibilities of these roles are described in detailed job descriptions in Appendix A.

3. Financial Working Methods

The AM treasurer, supported by the assistant AM treasurer if one has been appointed, is responsible for the finances of the AM and the three linked charities. Each of the six LMs has its own treasurer/collector. The LMs have financial independence from the AM in that they budget and account for their own income and expenditure and hold their assets separately.

All are assisted by a paid bookkeeper, appointed by AM Trustees, and managed by the AM Treasurer. In this document, some of the tasks may be delegated to the bookkeeper. A list of the current delegations is provided at Appendix B.

All treasurers use the AM's quarterly financial data spreadsheet to provide income and expenditure information to the AM treasurer.

The AM Treasurer uses this data to consolidate annual accounts and to make the annual Gift Aid claim.

The AM, three linked charities and LMs have one current account each, with the exception of Bury St Edmunds LM, which maintains a second current account for the use of the Meeting House warden. All of the current accounts are with the Co-operative Bank, chosen because of its ethical investment policy, and it allows on-line transaction approvals and the deposit of cash and cheques at local Post Offices, which is the most convenient outlet for the LM treasurers.

A list of deposit accounts is provided at appendix C. It is important to note that all of these financial institutions have been selected because of their ethical policies.

The financial year for the AM, linked charities and LMs runs from 1 January to 31 December. All of the financial activities within the AM are performed to timescales that ensure that the AM treasurer can submit the AM's consolidated annual accounts well before the Charity Commission's deadline of 31 October of the following year.

All financial activities are carried out in compliance with AM policies and with the financial guidance in Chapter 14 of Quaker Faith & Practice.

Appendix A: Finance Job Descriptions

AM Treasurer

The AM treasurer is a voluntary role performed by one of the AM's trustees for up to three terms of three years. The Friend must be in membership and is appointed by AM through the Quaker nominations process. Some of the tasks may be delegated to other Friends or the bookkeeper. The main responsibilities are to:

- Make payments against invoices and as directed by AM and the three linked charities.
- Make grant payments to recipients as directed by the grants panel of the Richard Waynforth Trust and in compliance with the grant guidelines.
- Reimburse Friends' expenses upon production of receipts and evidence of authorisation to incur the expense of behalf of AM.
- Pay invoices for annual buildings, contents and public liability insurance for the Local Meetings and 21 St Nicholas Street and reclaim these costs from the Local Meetings and tenant, respectively.
- Monitor rent and insurance payments from the tenant of 21 St Nicholas Street.
- Ensure non-invoiced recurring annual payments (e.g., recoupment and burial ground maintenance) are made for AM and the three linked charities.
- Complete the quarterly financial data spreadsheet for AM and the three linked charities, allocating each receipt and expense to the relevant cost code.
- Keep electronic or paper records of income and expenditure for six years and for audit trail purposes for AM and the three linked charities.
- Reconcile the bank statements with the quarterly financial data spreadsheets for AM, the linked charities and the six LMs.
- Use the quarterly financial data spreadsheets to consolidate the accounts of the charity and its linked charities.
- Produce half-yearly AM income, expenditure and budget variance reports and present the reports to the AM trustees and AM for review and acceptance.
- Produce half-yearly income, expenditure and budget variance reports for the linked charities, (including the Meeting House funds) and present the reports to the AM trustees for review and acceptance.
- Prepare and present the AM's annual budget for acceptance by AM trustees and AM and the linked charities' annual budgets for acceptance by AM trustees.
- Provide the AM annual budget to the LM treasurers/collectors, advising on the funding needs of AM.
- Prepare the consolidated AM annual accounts and report and arrange for their independent examination.
- Present the consolidated AM annual accounts and report to AM trustees and to AM for review and acceptance prior to submission to the Charity Commission.
- Submit the consolidated AM annual accounts and report and the Charity Commission Annual Return to the Charity Commission before 31 October of the following year. Provide information to the national Quaker Stewardship Committee. Provide a printed version on low-acid paper to the AM Custodian of Records.
- Ensure all Friends within the AM have access to the consolidated AM annual accounts and report by publishing them on the AM web site and AM newsletter.
- Liaise with the treasurers of Bury St Edmunds, Diss, Ipswich and Leiston LMs regarding capital repair and maintenance costs from the AM's three Meeting Houses Funds.
- Confirm The Living Wage Foundation's annual 'Living Wage outside London' and notify trustees and LM treasurers accordingly.
- Monitor the AM's financial institutions' performance and compliance with ethical policies.

- Monitor all current and deposit account balances and advises when to transfer sums to ensure that the AM's consolidated funds do not exceed the maximum amount (currently £85,000) covered by the Financial Service Compensation Scheme.
- Monitor account balances and reserve levels for AM, the linked charities and six LMs to advise when surplus funds are available for discretionary spending or when reserves are being used.
- Look for trends in over or under spending and/or decreasing income streams for AM, the linked charities and six LMs.
- Manage or perform the role of payroll administrator (see below).
- Maintain a list of authorised signatories for all AM, linked charity and LM current and deposit accounts and progress changes to the cheque signatories, as required.
- Organise the internal audit where the LM treasurers annually review each other's accounting records by randomly checking sample receipts and expenditures, from their original source/inception to inclusion in the accounting records, and produce a report for the AM trustees, either to confirm that everything was correct or to note any deficiencies in actual records or systems.
- Maintain the AM's legacy register.
- Advise in the update of financial policies.
- Support all LM treasurers in the undertaking of their financial activities and organise bi-annual treasurers' meetings for the AM treasurer and LM treasurers to discuss topics of mutual interest and to identify areas needing improvement.
- Notify LM treasurers of updates from trustees, BYM, the Charity Commission and other government bodies, as necessary.
- Submit Gift Aid claims to HRMC and credit refunds accordingly to AM, to the Property Charity and to the LMs for both the LMs and BYM.
- Ensure new trustees and LM treasurers/collectors (?) complete the Declaration for Fit and Proper Persons and Disclosure Form and are provided induction training.
- Follow recommended practices for the secure use of computers, on-line banking and electronic communication.
- Act as temporary LM treasurer to provide cover until a new LM treasurer can be appointed, if a current LM treasurer can no longer perform his or her responsibilities.

LM Treasurer

The LM treasurer is a voluntary role performed by a member appointed by the Local Meeting. If the task is to be undertaken by an attender or external provider, a member should still be appointed as Treasurer to oversee the work and take ultimate responsibility for it. The role of LM treasurer is often combined with that of LM collector (see section 4 below). Some of the tasks may be delegated to other Friends, the bookkeeper or the Meeting House warden. The LM treasurer's main responsibilities for the LM are to:

- Make payments against invoices and as directed by the LM.
- Transfer funds from Friends' committed giving and/or from LM funds, as directed by the LM, to AM and BYM.
- Forward Gift Aid reclaimed from Friends' BYM committed giving to BYM.
- Reimburse Friends' expenses upon production of receipts and evidence of authorisation to incur the expense of behalf of LM.
- Deposit cash and cheque payments for room hires and cash, cheques and CAF donations for LM funds and special collections.
- Ensure cash collections are counted by two people and the total recorded.

- Send donations to the nominated recipients of the LMs' special collections for other Quaker and non-Quaker charities and maintain a list of the collections and a spreadsheet to reconcile monies collected and banked for the year.
- Reconcile the LM's bank statements with the quarterly financial data spreadsheets.
- Issue invoices and/or receipts for room hired in Bury St Edmunds, Diss, Ipswich and Leiston Meeting Houses and review room hire income against the records of bookings.
- Monitor account balances and reserve levels for the LM to advise when surplus funds are available for discretionary spending or when reserves are being used.
- Look for trends in over or under spending and/or decreasing income streams for the LM.
- Keep electronic or paper records of the LM's income and expenditure for six years and for audit trail purposes.
- Complete the quarterly financial data spreadsheet for the LM, allocating each receipt and expense to the relevant cost code.
- Produce quarterly LM income, expenditure and budget variance reports and present the reports to the LM for review and acceptance.
- Ensure all necessary information is provided to the AM Treasurer and bookkeeper relating to paid employees' salaries. Transfer pay, PAYE, NI and pension payments to AM as advised by the AM Treasurer.
- Ensure employees and self-employed staff are paid at least The Living Wage Foundation's 'Living Wage outside London'.
- Check standing orders and direct debit payments quarterly to ensure payments remain in accordance with valid instructions given to the bank.
- Review bank mandates regularly and progress changes to the cheque signatories, as required.
- Prepare and present the annual budget for acceptance by the LM.
- Maintain fundraising records for the LM.
- Maintain and monitor the use of the petty cash float for Bury St Edmunds and Ipswich LM and the use of the debit card for Bury St Edmunds LM.
- Notify the AM treasurer of requests for funding for capital repair and maintenance costs from the AM's three Meeting Houses Funds for Bury St Edmunds, Diss, Ipswich and Leiston Meeting Houses.
- Attend LM premises committee, when requested, to advise on such issues as spending, utility bills and wage increases.
- Act as convenor of the finance committee (if the LM has one), ensuring that budgets, accounts and other relevant financial items are reported and discussed.
- Monitor spending on utility bills, take meter readings, act as LM's contact with utility companies and revise direct debits to reflect the LM's current utility usage.
- Participate in the LM treasurers' annual review of each other's accounting records.
- Follow recommended practices for the secure use of computers, on-line banking and electronic communication.

LM Collector

The LM collector is a voluntary role performed by a member or attender appointed by the Local Meeting. The role of LM collector is often combined with that of LM treasurer. The LM collector's main responsibilities are to:

- Send out annual appeal letters to local Friends and advises them on the ways of contributing to LM, AM and BYM and on how their donations are used.
- Provide a list of forecasted annual contributions to the LM treasurer for budgeting purposes.
- Keep a record of committed giving contributions and provide to LM treasurer to assist with completion of quarterly financial data spreadsheet and allocation of funds to AM and BYM.

- Advise Friends who are uncertain whether they pay enough tax to use Gift Aid by referring them to the guidance provided by HMRC.
- Ensure Friends complete the correct Gift Aid form, depending on whether they make donations directly to BYM or donate to BYM through their Local Meeting.
- Provide new and updated Gift Aid declarations to the AM and LM treasurers.
- Notify the AM and LM treasurers when Gift Aid declarations are cancelled.
- Ensure that Friends sign new declarations when an existing declaration is more than four years old.
- Remind Friends to notify their LM treasurer/collector of any name and/or address changes so that new Gift Aid declarations can be signed.
- Check to ensure that separate Gift Aid declarations have been provided for donations made jointly by people living together.
- Remind Friends to notify their LM treasurer/collector if they need to cancel their declarations at any time and that they must cancel their declarations, if they no longer pay income tax and/or capital gains tax equal to the tax that is reclaimed annually for all of their charitable giving.
- Advise Friends on legacies.

Payroll Administrator

This role is currently provided by the bookkeeper:

- Collect the number of hours to pay each paid employee in good time before running the payroll.
- Make returns to HMRC monthly (currently we use the Basic PAYE Tools provided free by HMRC). Complete forms (e.g., P45, P60 and P35) for HMRC as required.
- Provide a payslip for each employee on every pay date, with all relevant information as required by HMRC.
- Provide a monthly and year-end report on employees' PAYE, payroll and pensions to the AM treasurer, and appropriate LM treasurers for recompense to AM of the gross pay and pension contributions.
- Activate pension payments to The People's Pension monthly, and inform the AM Treasurer of what PAYE and NI payments need to be made to HM Revenue & Customs (HMRC) quarterly.

Independent Examiner

The AM's independent examiner is a self-employed external accountant paid by the AM to:

- Perform an independent examination of the AM's consolidated annual accounts in accordance with *Independent Examination of Charity Accounts: Examiners (CC32)*, which explains the independent examiner's role and duties.
- Provide an independent examiner's report to the AM trustees; this report is included in the AM's accounts.
- Identify and assess the risk of a material error or misstatement in the published accounts as well as any weaknesses in the AM's internal controls.
- Comply with the legal duty to report, to the Charity Commission, any matters of material significance that have come to light during the independent examination.
- Comply with AM's policies for internal financial controls, financial crime and abuse, internal auditing, data protection and equality.

The independent examiner is appointed annually by the AM trustees at their November meeting. The trustees also undertake a five-year review and tendering process for the AM's appointed examiner.

AM Internal Auditor

The AM internal auditor is a voluntary role performed for a term of three years. The Friend must be in membership and is appointed by AM through the Quaker nominations process. The AM internal auditor's main responsibilities are to:

- Perform the internal audit biennially using the guidance in Appendix D.
 - Determine the effectiveness of the AM's financial controls.
 - Help the trustees identify, assess, manage and monitor risks to the AM and advise on the completeness of the AM's risk register.
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Appendix B: Jobs currently delegated to book-keeper

Monthly:

- Pay staff (including HMRC online system and paying pensions)

Quarterly:

- Code financial transactions for Bury St Edmunds, Ipswich and Leiston LMs
- Create room booking invoices and monitor payments for Ipswich MH.

One-off job:

- Investigate and implement Hallmaster room booking and invoicing for Ipswich MH and then BSE MH

Further work such as coding transactions for AM funds may be added later. The job presently excludes:

- Handling money and cheques
- Preparing accounts
- Schedules

The book-keeper provides monthly time-sheets, broken down by LM, so that LMs know how much time they are getting from her. She is paid by the hour, according to those time sheets. The Area Meeting will initially fund all the book-keeping costs, but some LMs may be invited to contribute to the cost, as discerned by AM.

Appendix C: Deposit accounts

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|---------------------------|---|
| Triodos Bank | Agnes Moss Bequest, Property Charity, Richard Waynforth Trust |
| Triodos Bank | Leiston Quakers |
| Eastern Savings and Loans | Agnes Moss Bequest, Property Charity, Richard Waynforth Trust |
| Ecology Building Society | Agnes Moss Bequest, Property Charity, Richard Waynforth Trust |
| Ecology Building Society | Bury St Edmunds Quakers |
| Rathbone Greenbank | Property Charity, Richard Waynforth Trust |
| CCLA | Property Charity |
| CCLA | Ipswich Quakers |

Appendix D: Internal Audit Guidelines

The purposes of the internal audit are to determine the effectiveness of the AM's financial controls, help the trustees identify, assess, manage and monitor risks to the AM and advise on the completeness of its risk register.

This audit is conducted by an AM Friend, who is deemed qualified to serve as an internal auditor, and who is nominated by the AM's nominations committee and approved by the AM.

To perform the audit, the Friend uses an internal audit self-assessment checklist, which is based on a document sourced from Mango, a UK charity that provides other charities with professional audit, consulting and financial advisory services.

The steps taken in conducting the internal audit are:

1. The auditor begins by considering the risks to the AM and reviewing the AM's risk register as well as the AM's internal finance controls document and other financial procedure documents and policies.

2. If applicable, the auditor follows up any recommendations from previous audits to check that actions have been taken.

3. The auditor then conducts the audit by:

Using the AM's internal audit self-assessment checklist.

Checking a sample of transactions or processes to confirm that the proper procedures have been followed.

Interviewing trustees, treasurers, employees, self-employed staff or any other individuals, as deemed necessary.

4. If the auditor identifies any problems, these findings are classified according to how serious they are. The classifications are red for critical, orange for high and yellow for medium.

5. When the internal auditor makes a finding, there is a need for action. There are two types of action that can be taken:

Corrective action: This makes whatever was wrong, right. For example, if a payment has been wrongly entered or coded, it can be corrected.

Preventative action: This aims to ensure that the same error won't happen again in the future. For example, making sure that the person who does the coding understands the coding system.

6. The auditor discusses his or her findings and recommendations with the trustees and prepares a written report. At the next audit, those recommendations are followed up and the cycle continues.

An Internal Audit Review Checklist is available from the Treasurer.