

Local Meeting Budget Guidelines

Ipswich & Diss Area Quaker Meeting

(Charity Registration No: 1134526)

1. The Importance of Budgets

An annual budget helps put a Local Meeting's finances into proper perspective. A budget requires the whole Local Meeting to assess realistically the probable expenses and probable income during the upcoming financial year, which runs from 1 January to 31 December. Reporting actual progress against the budget and identifying specific causes for over or under spending, or differences in income, will make it easier for the Local Meeting to take corrective action or identify alternative strategies for dealing with the variation from budget during the financial year.

The budget is also linked to the Local Meeting's reserve funding; see Ipswich & Diss Area Quaker Meeting's Reserves Policy for further details. Please note that the Area Meeting Treasurer's Team is available to help Local Meetings with budgeting.

2. Preparing the Budget

2.1 Income Budget

The Local Meeting treasurer, in some instances with the support of the A.M. Book keeper, should prepare a draft income budget (see sample in the Appendix) based on what has happened in previous years and then adjust as necessary to allow for known or projected changes. Some items to address are:

- Have any actions already been taken that will change income sources or amounts in the next year?
- What changes are planned that may change income sources or amounts? What new sources are arising? What sources are ending, diminishing, increasing?
- Has anything happened locally or in the wider economy that could affect income?
- Are there any significant new contributors?
- Have any significant contributors died or moved away?
- Has there been any notification of bequests or grants?
- Are any grant applications planned? What is the likelihood of success?
- Were there any circumstances in the current year, which decreased or increased income unusually? Are they like to recur?

Please don't assume that income is out of the Local Meeting's control. Friends often respond to need, if care is taken in presenting information to them. In addition, if Meeting House rooms are not fully utilised, the Local Meeting could try to increase hirings income, but please remember the extra costs that hirings imply.

2.2 Expenditure Budget

The Local Meeting treasurer in some instances with the support of the A.M. Book keeper, should prepare a draft expenditure budget (see sample in the Appendix) by examining all areas of current and previous expenditure and then adjusting for the following:

- What existing items are no longer required? Are other cost savings possible?
- For continuing activities, what is the likely continuing cost, allowing for inflation?
- Has it been determined that expenditure in any area should be increased?
- Is any unusual one-off expenditure likely to arise?
- Are there any new or increased needs from the Area Meeting and/or Britain Yearly Meeting that will affect expenditure?
- What new activities are being planned? When will costs begin to accrue?
- Are there activities or items previously added that will now result in costs?

- Are there any circumstances outside the control of the Local Meeting that are likely to result in costs?

In addition to the above, the treasurers of Bury St Edmunds, Diss, Ipswich and Leiston Local Meetings must forecast the cost of maintaining and repairing the Meeting Houses, burial grounds and warden's accommodation in the coming year and plan how that sum might be raised.

Local Meetings are responsible for funding interior decoration, floor coverings and furniture from their general funds. The amounts to put in the budget depend on the likely replacement time and general wear and tear, which will partly be determined by how much use the building gets. A possible calculation of future needs might be:

	Total Cost	Life in Years	Annual Amount
Floor coverings	£4,000	10	£400
Furniture/curtains	£600	15	£40
Decoration	£5,000	10	£500
Electrical appliances	£1,000	10	<u>£100</u>
			Total £1,040

For capital maintenance and repair of their Meeting Houses, burial grounds and warden's accommodation, the Local Meetings can use their own funds or funds from one of the Area Meeting's three Long-Term Meeting House Maintenance Funds. The Area Meeting's Meeting Houses Fund is available to all four Local Meetings. In addition, Bury St Edmunds Local Meeting has the Bury St Edmunds Long-Term Meeting House Maintenance Fund, and Diss Local Meeting has the Agnes Moss Bequest Trust. Examples of capital costs include electrical work, heating systems, double glazing, outside retaining walls and kitchen and bathroom fixtures. Further details are in Ipswich & Diss Area Quaker Meeting's Meeting House Funds Policy.

2.3 Budget Assumptions

In addition to the forecasted income and expenditure figures, the Local Meeting treasurer should provide a written summary of the assumptions on which the draft budget has been based.

3. Presenting, Balancing and Accepting the Budget

The Local Meeting treasurer should present the draft budget and assumptions to Friends at a Local Meeting Business Meeting in time for the budget to be accepted no later than November.

To arrive at a balanced budget, in which the expenditure is the same as (or less than) the income, it may be necessary to go through a repeated process of reducing costs and/or seeking new income. The whole Meeting should be involved in this part of the financial planning, because it concerns the setting of priorities for both raising and spending money. It will be necessary to look in detail at all the various activities and resources of the Local Meeting to ensure that Friends can discuss and accept what should be continued, changed or discontinued. Some useful questions to pose are:

- Are current activities performed cost-effectively? Are they necessary?
- Are there areas we could and should stimulate by spending more?
- Do the existing activities reflect our priorities?
- Are we doing things that would not be missed or would only have a marginal effect, if we stopped doing them and used the resources elsewhere?
- Are the proportions between the areas of expenditure sensible, or are there areas where the cost is too high for the benefit being achieved?
- What are we not doing that we should be doing?

- What would we like to do?

The Local Meeting's acceptance of the budget, as well as any decisions concerning the setting of priorities for raising and spending money, should be minuted. Copies of the accepted budget and minute should be sent to the AM Treasurer's Team.

4. Reporting Progress Against the Budget

As stated previously, throughout the financial year, the Local Meeting treasurer should report to the Local Meeting on the actual progress against the budget and identify specific causes for over or under spending, or differences in income. The Local Meeting can then take corrective action or identify alternative strategies for dealing with the variation from budget.

Appendix: Sample Budget Template

INCOME	Forecast Turnover	Previous Turnover
Voluntary Income		
LM contributions and collections	0	0
AM contributions	0	0
Gift aid tax claimed	0	0
Grants received	0	0
Bequests and legacies	0	0
Loans	0	0
Subtotal	0	0
Activities for Generating Funds		
Fundraising income	0	0
Book and literature sales	0	0
Hirings income	0	0
Subtotal	0	0
Income from Charitable Activities		
Contributions to LM conferences	0	0
Subtotal	0	0
Investment Income		
Dividends received	0	0
Interest received	0	0
Subtotal	0	0
Receipts as Agent		
Special collections	0	0
BYM contributions	0	0
Other Quaker body collections	0	0
Other sources	0	0
Subtotal	0	0
Total Income	0	0

EXPENDITURES	Forecast Turnover	Previous Turnover
Charitable Activities Costs		
Wages and pensions	0	0
Utilities and insurance	0	0
Property repairs and maintenance	0	0
Furniture and equipment	0	0
Administration	0	0
Room hire for LMs without a Meeting House	0	0
PAYE/Employer NI	0	0
Capital repairs (from quinquennial surveys)	0	0
Subtotal	0	0
Grants and Loans Payable		
BYM grants	0	0
Other Quaker body grants	0	0
Non-Quaker body grants	0	0
Subtotal	0	0
Quaker Activity Costs		
Committees and conference fees	0	0
Committee and conference travel	0	0
Other support	0	0
Outreach and publicity	0	0
Publications	0	0
Children and young people	0	0
Subtotal	0	0
Governance Costs		
Audit and accountancy costs	0	0
Bank charges	0	0
Subtotal	0	0
Payments as Agent		
Special collections	0	0
BYM from Committed Giving	0	0
Other Quaker bodies	0	0
Other sources	0	0
Subtotal	0	0
Total Expenditures	0	0
TOTAL SURPLUS/DEFICIT		
	0	0

The above spreadsheet can be accessed in Microsoft Excel by clicking on this link:



"Budget
Template.xls"