

# **YORK AREA QUAKER MEETING RESERVES POLICY draft 2013-10-25 Word latest.docx**

1. York Area Quaker Meeting Trustees Reserves policies and practice in the Local Meetings and the role of Trustees 2013/10/13 Reserves policies and practice in the Local Meetings and the role of Trustees. It is current Area Meeting policy to maintain reserves sufficient to allow the activities of York Area Meeting to continue and the buildings to be maintained. In order to ensure this policy is put into effect, Trustees “are minded to adopt the draft policy and the principle of the fifty-year plan for buildings” [Minute 10.3 of the meeting of York Area Meeting Trustees on 13/10/2013]. The minute continues: “We agree to send the plan to Local Meeting Finance Committees and Local Meetings with a view to welcoming comments in time for consideration at our next meeting.” DRAFT POLICY 1. That all local Meetings have funds available in their current accounts and/or on short term notice to meet their day to day needs (running expenses, regular recurring maintenance charges before income from donations and lettings becomes available during the year, or in the event of a loss of or significant decline in hirings income) equivalent to 6 months of annual anticipated expenditure at any one time to be monitored and topped up as required.

2. That all five Local Meetings continue or set up a sinking fund to cover the identifiable cost of building repairs and periodic replacement/renewal of all parts of the building and furnishings (except replacement of foundations and external walls). Spreadsheets have been developed by Harrogate and New Earswick Meetings to enable appropriate calculations to be made. Such a fund should take a fifty year view of all potential costs and require annual funding at a level sufficient to meet anticipated expenditure over the fifty years. The fifty-year view would need to include funding for any potential ‘big ticket’ items such as the replacement of roof tiles/structure, structural repairs etc. This could result in individual Meetings carrying substantial surpluses over long periods held in reserve for potential major repairs. If Area Meeting Trustees monitored this, then individual Meetings could make local decisions as to where they might hold the credit balances they have and whether they might make short/medium-term loans to Quaker and other good causes. Where funds are held by Local and Area Meetings needs to be monitored by the AM Treasurer to ensure that the five LMs and AM have no more than €100,000 (about £85,000) in any one company, this being the current limit of deposit guarantees. Local and Area Reserve funds should be fully reviewed at least every five years to ensure the total annual funding held is sufficient, bearing in mind any change in building costs, interest rates or taxes; we suggest the time immediately after

York Area Quaker Meeting Trustees Reserves policies and practice in the Local Meetings and the role of Trustees 2013/10/13a local Meeting House quinquennial inspection would be appropriate, especially if quinquennial inspection reports highlight items likely to need attention over the coming fifteen years.

3. That Area Meeting Trustees maintain a central reserve fund. The consensus view is that this should be about £50,000 for emergencies. This money would be available to loan to Local Meetings in the event of their experiencing an emergency. The money would then be repaid to Area Trustee’s administered reserve fund over an agreed period. Area Meeting Trustees

currently have access to funds of £50,000. It is hoped this would reduce the proportion of reserves that each Local Meeting would need to hold in current or short-notice accounts and thereby allow more money overall to be used for Quaker and other charitable purposes.<sup>4</sup> That monitoring of the above by Trustees could be by means of statements to be included by each Local Meeting in the annual accounts. When Local Meetings have carried out the above exercise they may find that they have a surplus of funds over and above that required. They may then consider it appropriate to donate that surplus, perhaps to a Quaker or other charity. Trustees would first wish to see the Meeting's reserves policy and the figures involved before any such donations were made. A summary of the above might be:

YORK Area Meeting and Trustees Five Local Meetings Current account On-going routine income & expenditure, made up from Quota payments and a small 'float' of £5,000. On-going routine income & expenditure. To include a 'float' to cover expenses at the beginning of the year not covered by income from lettings and donations Current account surplus Any surplus likely to be minimal, as it could lead to a reduction in following year's AM quota figure. 6 months' operational costs on deposit. Building reserve account Up to £50,000 available to loan to LM facing unforeseen buildings expenditure Funded annually at a level consistent with the 50-year plan. Building maintenance funded from this pot. Building reserve account in surplus that is not needed in short/medium term N/A If a LM has a significant amount in this fund and the 50-year plan and Quinquennial indicate that the money is unlikely to be drawn on for a period of time –give consideration to a fixed-term loan to another Meeting in AM or other Quaker or worthy cause. If some of this money is needed unexpectedly –seek early York Area Quaker Meeting Trustees Reserves policies and practice in the Local Meetings and the role of Trustees 2013/10/13 repayment and/or apply to AM Trustees for loan to tide over. Amount surplus to all the above Consider a gift to Quaker causes and/or other charitable causes.

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