

Trustees' & Treasurers' News

Issue 5 – March 2016



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Editorial

Welcome to *Trustees' & Treasurers' News 5*. The longest item in this issue is devoted to the changes to accounting practice for AMs which prepare accruals accounts. We also cover changes to Gift Aid declarations and an increase to the limit for the Gift Aid Small Donations Scheme. There are items of relevance for landlords in England and Wales, and advice from the Charity Commission and OSCR. There is welcome news of continued funding for the Listed Places of Worship Grant Scheme. There is a less welcome warning about how banks' efforts to counter tax evasion by their customers might impact on AMs. A trustees' course at Woodbrooke is flagged up well in advance and we encourage you to complete a questionnaire about whether this newsletter is meeting your needs. Please remember that, while we try to ensure that the information we give is accurate, we are not experts. It is a right use of charitable funds and a proper exercise of trustees' responsibilities to seek professional advice where appropriate.

The deadline for items/suggestions for items for the July issue is 17 June. We are always happy to receive your suggestions.

The editorial team (ttnews@quaker.org.uk)

Preparing your accrual accounts

Accounting periods starting on or after 1 January 2015 All AMs which prepare accruals accounts have to use either Financial Reporting Standard 102 (FRS 102) or the Financial Reporting Standard for Smaller Entities (FRSSE). The Charities SORP website (www.charitiessorp.org) provides a useful click-through process to help you check which one applies to your charity.

Please note If your AM's 2015 accounts are prepared using FRSSE, then the format will change both for the 2015 accounts and for the 2016 accounts. You are strongly recommended to look at the information on the Charities SORP website. Please also remember that your AM's membership of the Association of Church Accountants and Treasurers provides you with a ready source of informed advice. If your AM uses Paxton charity accounting software to prepare accruals accounts, please be aware that Paxton have informed us that, for accruals accounting, the software uses the FRS 102 standard.

Accounting periods starting on or after 1 January 2016 Please be aware that FRSSE is being withdrawn for accounting periods starting on or after 1 January 2016. All AMs preparing accruals accounts will have to use FRS 102. It has been amended to include provisions for both larger and smaller charities. It redefines what is meant by 'larger charities':

'**Larger charities** is a term used in the SORP [i.e. the revised FRS 102] to identify those charities with a gross income exceeding £500,000 (UK) ...'. [Charities SORP (FRS 102) Update Bulletin 1]

There is more information about the changes on the Charities SORP website.

If you prepare receipts and payments accounts be reassured. The SORP issues outlined above do not apply to you. Your accounts should continue to be prepared to the format recommended by the Charity Commission (England and Wales) or by OSCR (Scotland). For users of Paxton software, the Paxton website states that 'The Standard package ... allows both accruals and receipts and payments accounting methods.'

Abbreviations

We will try to avoid using abbreviations in the *Trustees' & Treasurers' News* but the following will often occur:

CC – Charity Commission	LM – local meeting
BYM – Britain Yearly Meeting	AM – area meeting
OSCR – The Office of the Scottish Charity Regulator	
QSC – Quaker Stewardship Committee	

Are receipts and income different?

Receipts for a year amount to what was actually received during the financial year, a physical amount. **Income** for a year amounts to what ought to have been received if everyone paid up on time, a logical amount.

The **Debtors** for a year amount to what should be with us now but is estimated to arrive in the future. The estimate may be accurate or just our best guess.

So, for example, $\text{Income}(2015) = \text{Receipts}(2015) - \text{Debtors}(2014) + \text{Debtors}(2015)$

The 2014 debtors were included in the 2014 income by a similar relationship so they are removed from the 2015 receipts, and the 2015 debtors are added, to yield what logically belongs to 2015.

Can you see how an error in the estimation of the Debtors value simply comes out in the wash? An underestimate causes an increase in the 2015 income; an overestimate a decrease. We can't go back and change the 2014 income so we account for the difference in 2015, thus achieving the objective of getting our best estimate of the logical income for any given year.

There are similar relationships between **Payments**, **Expenditure** and **Creditors**.

Charity Commission – updated guidance about financial issues

The Charity Commission has updated three sets of guidance for trustees about charities' financial issues.

The first one, 'Charity reserves: building resilience' (CC19 – <http://bit.ly/CC19-Jan16>), emphasises the need for trustees to have a well thought out reserves policy suitable for the needs of the individual charity, and for trustees to monitor reserves actively throughout the year. The second one, 'Managing a charity's finances: planning, managing difficulties and insolvency' (CC12 – <http://bit.ly/Managing-CC12>), is one which, ideally, AMs will not need as it gives guidance for charities facing financial difficulties or insolvency but it is useful to know that it exists. The third document, 'Charity governance, finance and resilience: 15 questions trustees should ask' (<http://bit.ly/15Qs-to-ask>), is a useful checklist to prompt trustees to think about issues important to the right running of a charity.

Donations to other charities and to non-charities

Charity trustees need to take great care when considering making donations to other charities and even more care when thinking about donations to non-charities. With donations to other charities, trustees need to examine issues such as whether the donation furthers the aims of their own charity, whether their governing document allows them to make the donation, whether they can deal with any risks that might arise and whether they will have sufficient oversight over how the money is spent and accounted for. The Charity Commission has more detailed advice on its website (www.gov.uk/guidance/work-with-other-charities). Even greater care is needed with donations to organisations that are not charities. The Charity Commission has draft guidance on their website at <http://bit.ly/FundAnoncharity>. Again, trustees need to be clear that the grant would be in line with their charity's purposes, that a proper risk assessment has been carried out and that they have oversight of the use and accounting for the funds. All that while bearing in mind that organisations that are not charities do not have to meet the same constraints as charities. Even though the Charity Commission guidance is still provisional, it is well worth reading.

'Rent smart Wales' scheme

Trustees in Wales probably already know that from 23 November 2015, all private landlords have to register with the new *Rent Smart Wales* scheme. Properties have to be registered, landlords who manage properties themselves must either take and pass approved training or appoint licensed agents to manage the property for them. Landlords and agents have to comply with the new legal obligations within one year. See www.rentsmart.gov.wales/en for more information.

To update treasurer contact details and for treasurer support please contact:

Gaby Scott, 020 7663 1045, gabys@quaker.org.uk.

Gift Aid

New model Gift Aid declarations In October 2015 HMRC published a new model Gift Aid declaration. Charities that have stocks of printed material using the previous model declaration that were ordered and printed before 21 October 2015 can use them up. That apart, the new declaration has to be used from 6 April 2016. Existing declarations do not have to be updated. Please look at the guidance on the HMRC website (<http://bit.ly/New-GA>) as we do not have space to detail all the requirements here.

Draft Small Charitable Donations Act (Amendment) Order 2015 From 6 April 2016, the limit for claims under the Gift Aid Small Donations Scheme (GASDS) will be increased from £5,000 to £8,000 per charity per year (see <http://bit.ly/New-GASDS>).

Office of the Scottish Charity Regulator

OSCR Online A quick reminder to Scottish AMs that from 1 April 2016 the annual return, plus the report and accounts, must be submitted online. If you have not signed up already, you can do so at www.oscr.org.uk/charities/online-services/sign-up.

Targeted Regulation From 1 April 2016 OSCR will increase the information about charities that it makes available through its Scottish Charity Register. There will be changes to the questions included on the annual monitoring form but OSCR has said that reporting requirements for smaller charities will be kept to a minimum. There will be a new 'notifiable events' procedure under which charities will have a duty to inform OSCR of events such as fraud, allegations of abuse, investigations by agencies such as HMRC or the Police, or large donations the source of which is unknown.

Listed Places of Worship Grant Scheme

In his Autumn Statement, the Chancellor announced that £42 million would be available for the Listed Places of Worship Grant Scheme. That means that the annual fund should continue throughout this Parliament. There is more information at www.lpwscheme.org.uk.

'Right to rent' checks for landlords in England

From 1 January 2016 all private landlords in England have to check whether new tenants have the right to be in the UK before entering into a rental agreement with them (<http://bit.ly/RentCheck>). Existing tenancies are not affected. In addition, the rules do not apply to some kinds of accommodation, including tied accommodation. However, they do apply if a property is rented out for income. Checks have to be made for new tenancies and it is important that copies of relevant documents are kept. Please see the guidance for more information.

Being a Quaker Trustee –
Particularly suitable for new/less
experienced area meeting trustees; it
may also be of interest to anyone
wanting a refresher.

We will be factual and practical. What does the law require? What is considered good practice for charities? How does this fit with Quaker good practice? How do trustees, area and local meetings relate to each other?

How can trustees best serve our meetings? We aim to provide easy-to-understand information and enjoyable learning, to make trusteeship approachable and rewarding.

Wed 7 – Fri 9 Dec 2016 – Book at <http://bit.ly/Trustee-Dec2016>

Woodbrooke
 Quaker Study Centre

1046 Bristol Road, Selly Oak
 Birmingham B29 6LJ
 0121 472 5171

www.woodbrooke.org.uk



Quaker accounting spreadsheets and software

A PDF resource with information about the Quaker accounting spreadsheets and the Quaker version of the Paxton accounting software is available at www.quaker.org.uk/treasurers. This has links to download the spreadsheets and support material including a link to a set of training videos.

FATCA (Foreign Account Tax Compliance Act)

This sounds rather arcane and unlikely to apply to AMs. However, some Church of England PCCs have already been affected. Banks have to comply with US and UK government efforts to crack down on tax evasion. That is sometimes affecting organisations which would reasonably not have expected to be involved. It is possible (but we hope very unlikely) that your bank will ask you to complete a form so that they can decide whether or not the FATCA regulations apply to your AM. In case you need to know, guidance prepared by the Church of England tax team can be accessed at www.parishresources.org.uk/wp-content/uploads/FATCA.pdf.

Reminder: book for the Annual Conference of Treasurers!

Entitled *Money and Ministry*, this conference for treasurers and other holders of financial roles in area and local meetings is a chance to look at how meetings can use their money to further their witness or ministry. It will include case studies on how meetings have discerned what to do with their money. There will also be workshops looking at technical issues, such as: reserves, Paxton, examination, succession planning, fundraising, managing a building project. Another major benefit of attendance is always networking, informal discussion with others of like interests to your own.

It will be held 17–19 June 2016 at The Hayes, Swanwick, Derbyshire, Cost: £180

Please book online now at <http://forms.quaker.org.uk/act>. The closing date for registrations, 1 April 2016, is almost upon us. A draft outline programme is included for your reference.

Submit the annual report and accounts on time!

'I cannot file my accounts because ...

- I don't have internet access [sent by email]
- I already did it – last year
- I'm not involved with this charity's requirements, I'm a trustee'

Those are some of the (unintentionally) amusing answers the Charity Commission got from registered charities that had not submitted their annual report and accounts by the 10-month deadline. However, the Commission is giving warning that they will not be amused by charities which miss the reporting deadline.

Last but by no means least!

This is the fifth issue of *Trustees' & Treasurers' News*. We would very much welcome your feedback on whether the change from separate newsletters for trustees and treasurers to a joint one is meeting your needs. A questionnaire is circulated with this issue. Please complete it (it should only take a few minutes) and return it to us by 29 April (details on the questionnaire). If completing it online, note that the tick ✓ in the rubric to question 1 can be copied into boxes as required throughout the questionnaire. We will use the information it gives us to guide us in what *T&T News* includes in the future. Thank you very much for your help.

T&T News is sponsored by QSC, www.quaker.org.uk/QSC.

Please send copy for issue 6 to ttnews@quaker.org.uk by 17 June 2016.



Britain Yearly Meeting
of the Religious
Society of Friends

Gift Aid changes

As you will be aware HM Revenue & Customs has made changes to the Gift Aid declaration text to be used by all charities on their Gift Aid forms.

As a meeting treasurer or collector, you will have received the updated Gift Aid text on the back of the 2016 contributions form. Please use these forms and discard any forms you may have from previous years.

Old BYM forms received after 1 June 2016 will be returned to sender with a new form for completion.

If you need further copies, please visit our website: www.quaker.org.uk/contributions. Or email contributions@quaker.org.uk or telephone 020 7663 1015.

If your meeting has a Gift Aid form that you produce yourself, please check our website for the correct wording and update your form accordingly.

Area meeting contribution reports

If you are an AM treasurer and would like to receive your quarterly area meeting contribution reports, please contact Maisa Monteiro at contributions@quaker.org.uk to be added to future updates.

Cheques payable to Britain Yearly Meeting

To help BYM avoid unnecessary bank charges, please make sure that all cheques sent to us are made payable to "**Britain Yearly Meeting**", not the name of the centrally managed work you wish to donate to, e.g. QPSW or EAPPI. Please make sure that this information is widely shared in your meeting as well.

Donations via BACS

When making payments for your meeting using BACS please ensure that you use the correct bank account:

Account name: Britain Yearly Meeting Current Account

Account number: 50234651

Sort code: 089061

Bank name: The Co-operative Bank

And send details of the payment to contributions@quaker.org.uk using the paying-in slip listed below.

Paying-in Slips

Paying-in slips for cheques and BACS transfers for meeting contributions are available on our website and these help us direct your money efficiently:

www.quaker.org.uk/treasurers

Annual Conference of Treasurers

Money and Ministry

17 to 19 June 2016, The Hayes, Swanwick, Derbyshire

What is Quaker money for? This conference for treasurers and other holders of financial roles in area and local meetings is a chance to step back and look at how meetings can use their money to further their witness or ministry.

It is also a chance to meet fellow treasurers who are getting to grips with similar issues. The role of treasurer can sometimes seem a lonely one. This conference is a chance to recharge your spiritual batteries.

Area meetings are encouraged to appoint and pay for those with financial roles to attend this event.

Key note

The spiritual context of stewardship (Barbara Hayes, Woodbrooke Tutor and member of Ecumenical Council for Corporate Responsibility)

Case studies

Making an impact with a small outlay (Ann Wilson, Newcastle upon Tyne LM)

Reimagining the use of our resources (Wendy Hampton, Clerk, Sawley LM)

Using a legacy (Margaret Edmonds and Rosie Carnall, Sheffield Central LM)



Technical Workshops

Succession Planning: Jennifer Barraclough (previous clerk of BYM Trustees).

Examination: Delia Suffling (BYMT Finance & Property Committee) and Lisa Kiew (General Secretary, Finance & Property).

Fundraising and committed giving (Rosie Carnall, BYM Meeting and Donor Relationships Leader).

Managing a building project: Graham Torr (Kingston LM).

Paxton: Averil Armstrong and Fenwick Kirton-Darling (Northumbria AM)

Reserves: Peter Morris (Surrey & Hants Border AM Treasurer and Quaker Stewardship Committee).

Other presentations

Using resources from Association of Church Accountants and Treasurers (Leslie Bell, BYM Meeting Relationships Officer)

Britain Yearly Meeting accounts (Peter Ullathorne, BYM Treasurer)

As with previous years there will be opportunities to share ideas and ask questions.

More information and registration

forms.quaker.org.uk/act

Cost: £180

Closing date for registrations: 1 April 2016

Contact: Kristin Skarsholt, Events & Committee Services

kristins@quaker.org.uk

020 7663 1121