

**FINANCIAL HANDBOOK
ANN ARBOR FRIENDS MEETING
VERSION FOR COMMITTEE CONVENERS**

November 2016

Abridged from the full Financial Handbook
written in 1988 and revised through 2016

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I. INTRODUCTION

This handbook was written by the Finance Committee of the Ann Arbor Friends Meeting. It should be used by members and attenders, committees, staff, and in Meeting for Worship for Business (hereafter “business meeting”) as a guide to the processes used by the Meeting in conducting the financial part of its operations. Suggestions for modifications or updates should be given to the Finance Committee.

This version, available on the Meeting website, consists of those portions of the full Finance Handbook that may be of most use to Committee Conveners and others who are not on Finance Committee. A copy of the complete handbook (including Finance Committee procedures and forms) is available in the Meeting office (digital format and hard copy) and in the front lobby of the Meetinghouse (hard copy).

The Meeting operates on a calendar year fiscal year (January 1 through December 31). See Section V, below. The Finance Committee starts preparing the budget in September of each year, for initial presentation to the Meeting at the October business meeting, and approval at the November business meeting. All expenses and income are categorized by account numbers, listed in Appendix 4. Each committee should submit its budgetary needs for the coming year to the Finance Committee in September. Committee budgets run for the fiscal year only, and unspent budgetary lines are generally not carried over to the next fiscal year. Committee conveners are encouraged to submit all requests for payment of items during the fiscal year to the Treasurer in time to pay them before December 31 of each year.

The Meeting maintains several special funds, which are accounted for separately from the general operating budget. These funds do not expire at the end of the fiscal year, but are maintained on an ongoing basis for longer-term needs of the Meeting. See Appendix 3 for a list of these funds, their purposes, and their administration. New funds must be approved at a business meeting.

II. RESPONSIBILITIES OF OFFICERS, FINANCE COMMITTEE, AND STAFF
(Not included in this version)

III. AUTHORIZATION OF EXPENSES, PAYMENTS (Sections C and D not included in this version.)

All expenses of the Meeting must be authorized in advance by an appropriate person or group as noted below. Each expense must have the documentation noted. The purpose of the documentation is twofold: 1) to confirm that the expense is authorized and included in the budget, or falls within the purpose of a special fund, and 2) to assure that the goods or services have been received. If the Treasurer is asked to pay in advance, a notation of receipt should be

submitted to the Treasurer as soon as the goods or services have been received. Expense requests not documented will be returned by the Treasurer without payment.

Standard documentation includes an authorization of payment form (Appendix 1) and an invoice, receipt, packing slip, or other notation of the item received. All properly documented and authorized expense requests are paid weekly by the Treasurer. Emergency documented requests may be made directly to the Treasurer for faster payment. In addition to the Treasurer, the Clerk and the Meeting Worker are also authorized to sign checks, with the same documentation needed. The form in Appendix 2 is used if a person wishes to donate the cost of the expense as an in-kind contribution, with the same accompanying documentation and authorization signature. Purchases made on behalf of the Meeting are exempt from sales tax. Persons making such purchases should ask the Treasurer or Meeting Worker for documentation of tax-exempt status to file with the vendor.

A. Business Meeting

1. The business meeting may authorize any expense. It must authorize expenses in the following budget categories: (513) Office Equipment, above \$250, (531) Maintenance, above \$1000, (532) Capital Improvements, (660) Contributions to Other Organizations, above the 10% discretionary funds allocated by the Contributions Committee, (661) Special Contributions, (670) Travel and Attendance; and for the following funds: (213) Office Equipment, (237) Dennis Morley-Adda Dilts, (232) Capital Improvements, (233) Environmental Improvements, (266) Palestinian Travel Fund, and all other funds not specifically mentioned in another section below. It may designate persons to authorize expenditures of newly established funds.
2. Documentation — The recording of an approved expense in the minutes of any regular or special business meeting shall be adequate documentation for that expense. For expenditures from 232, 233, 531, and 532, the convener of Property Committee shall approve payment of specific invoices once the amount is authorized by the business meeting.

B. Clerk

1. The Clerk may authorize payment from (504) Clerk's Fund, (501) Supplies and Postage, (502) Miscellaneous Administration Expenses (for the Annual Report Fee), and (650) Hardship Relief.
2. Documentation — Account 501 — standard documentation. The State of Michigan Annual Report form will be submitted with the request for the fee; the Treasurer will mail it before the due date each October. For other accounts, a signed authorization of payment form must be submitted (Appendix 1).

(C: Treasurer; D. Meeting Staff, including Meeting Worker omitted)

E. Resident Host

1. The Resident Host may authorize expenses from (621) Residential Community.
2. Documentation — Standard documentation.

F. Committee Conveners

1. Each committee convener may authorize expenses from the relevant standing committee account. In addition, all committee conveners may authorize expenses from (690) Child Care, for childcare expenses related to the functions of that committee. Only approved childcare workers may be used.
2. Documentation — Standard documentation. For Child Care expenses, the number of hours worked must be specified. Child care payments must be made directly by the Meeting and should not be paid by an individual and submitted for reimbursement.

In addition, certain committee conveners may authorize other expenses, as noted below:

G. Convener of Property Committee

1. The Property Committee convener may authorize expenses from (531) Maintenance up to \$1000. Once the Meeting has authorized the expense, the convener also approves payment of specific invoices from (531) Maintenance (over \$1000), (532) Capital Improvements, (232) Capital Improvements Fund and from (233) Environmental Improvements Fund. For (233) Environmental Improvements Fund, the Committee recommends expenditures to business meeting.
2. Documentation — Standard documentation.

H. Convener of Ministry and Counsel Committee (Account 616)

1. The Ministry and Counsel Committee convener may authorize expenses from (650) Hardship Relief, and (659) Post Enabling Support, as well as (259) Post Enabling Fund and (250) Post Hardship Fund.
2. Documentation — All items must include an authorization of payment form.

I. Convener of Membership and Outreach Committee (Account 617)

1. The Membership and Outreach Committee convener may authorize expenses from (680) Literature.
2. Documentation — Standard documentation.

J. Convener of Contributions Committee

1. The Contributions Committee convener may at any time authorize expenditures from (660) Contributions to Other Organizations for up to 10% of the total budgeted amount per year (cumulative).
2. Documentation — All items must include an authorization of payment form.

K. Convener of the Committee for Children and Families (Account 611)

1. The Committee for Children and Families convener may authorize expenses from (690) Child Care, for regularly provided childcare, and (255) Youth Activities Fund (on behalf of the High School Group or Young Friends Meeting for Business).
2. Documentation — All regular childcare providers must sign the time sheet (Appendix 12) located in the mail box area. On a monthly basis, the Committee convener

reviews the time sheet and signs it. At the end of the year, the time sheets are included in the annual financial documentation. All others--standard documentation.

- L. Convener of Peace and Social Concerns Committee (Account 612)
 - 1. The Peace and Social Concerns Committee convener, or delegate in the case of PIAG, may authorize expenditures from (253) Phone Tax Fund and (265) PIAG Informational Materials Fund. For (266) Palestinian Travel Fund, the Committee shall recommend expenditures to business meeting.
 - 2. Documentation — All items must include an authorization of payment form.
 - M. Convener of Furnishings Committee
 - 1. The Furnishings Committee convener may authorize expenditures from (512) Household Furnishings and (212) Furnishings Reserve Fund.
 - 2. Documentation — Standard documentation.
 - N. Convener of Personnel Committee
 - 1. The Personnel Committee convener may authorize expenditures from (513) Office Equipment, up to \$250 and (290) Accrued Employee Benefits.
 - 2. Documentation — Account (513)-Standard documentation; Account (290)-Include an authorization of payment form, including breakdown of accumulation being paid.
 - O. Convener of Environment and Social Concerns Committee (Account 623)
 - 1. The Environment and Social Concerns Committee convener may authorize expenditures from (260) Voluntary Carbon Tax Fund. For (233) Environmental Improvements Fund, the Committee shall recommend expenditures to business meeting.
 - 2. Documentation — Standard documentation.
- IV. PAYMENTS AND CONTRIBUTIONS TO THE MEETING (Section D not included in this version.)
- A. Contributions

All checks should be made payable to the Ann Arbor Friends Meeting. Any special fund or reason should be noted on the check or in a note attached to the check (e.g., “payment for literature,” “facility use” etc.). Any gift not otherwise designated will be credited to the general operations budget as a contribution.
 - B. Temporary Funds
 - 1. The Meeting may establish temporary funds for particular purposes on the recommendation of an individual or a committee, usually after receiving a recommendation from Finance Committee. Such temporary funds may be for any purpose the Meeting approves as worthy of its support, whether or not the Meeting also contributes money from its operating budget or special funds for the purpose. When a temporary fund is established, the name and address of the payee will be specified for the Treasurer. Contributions to the Meeting may be earmarked for a

particular temporary fund. The Treasurer will pay all money in a temporary fund to the payee promptly, usually on a monthly basis.

2. Temporary funds are time-limited, and will automatically expire after twelve months unless the Meeting sets a shorter time limit. If a temporary fund is about to expire, the Meeting may approve extending the term of the fund for up to twelve additional months.
3. The Meeting may also set a dollar limit for any temporary fund, in which case the fund will terminate once that dollar amount has been paid out. Any money remaining in the fund will revert to the unrestricted cash balance, unless the Meeting provides otherwise when establishing the fund.

C. Special Projects

1. If a committee plans an event or project that will generate income (such as a fundraiser or an event for which a donation is requested to cover expenses), the committee should request that checks be made out to the Ann Arbor Friends Meeting. The group should submit all checks and cash received, together with requests for payment, to the Treasurer, preferably at the same time.
2. Any net income generated by such an event will be credited to the committee for its use within the current budget year.

(Section D not included in this version.)

E. Literature

Payments for literature and books purchased by individuals are included in this category, unless a committee specifically decides to purchase a particular book on a “pass through” basis, with payment made in advance of purchase.

V. FINANCE COMMITTEE CALENDAR (Fiscal year: January 1 - December 31)

Monthly: post monthly financial report; present any items of concern to business meeting

January: review draft annual report

February: present annual report to business meeting for approval and printing in newsletter

March: review this handbook; start review of insurance policy

April:

May: review facility use charges for the next year (1414 building, outside organizations); present 5-year plan update to business meeting

June: write midyear contributions appeal for July newsletter

July: request that committee conveners put budget needs on their September meeting agendas for discussion

August: Finance Committee does not meet

September: start drafting budget for the coming year; Contributions Committee presents draft report to business meeting

October: present first draft of budget to business meeting for printing in November newsletter; Contributions Committee report presented to business meeting for approval

November: present final proposed budget to business meeting for approval; write end-of-year contributions appeal for December newsletter

December: Finance Committee does not meet

VI. TREASURER CALENDAR
(Not included in this version)

LIST OF APPENDICES (Committee Convener Version)

Forms for General Use

1. Authorization of Payment Form (“Yellow slip”)
2. Receipt of In-kind Contributions Form (“Blue slip”)
3. Special Funds: Descriptions, Account Numbers and Authorization of Expenses
4. Income and Expenses: Descriptions, Account Numbers, and Authorization of Expenses

ANN ARBOR FRIENDS MEETING

Authorization of Payment Form

To: Treasurer, Ann Arbor Friends Meeting
1420 Hill Street, Ann Arbor, MI 48104

Please pay \$ _____ as per attached statement or invoice.

Payment is to be made to:

Charge this expense to:
(account, committee)

Name _____

Address _____

Brief description of expense: _____

Date _____ Authorized Signature _____

Business Meeting Date _____ Minute number _____

Paid Date _____ Check number _____

ANN ARBOR FRIENDS MEETING

Contribution Credit

A donation was made to Ann Arbor Friends Meeting, for which no reimbursement was requested, in the amount of \$ _____ for the purpose of _____

Account to charge:

Name

Address

Date

_____ Signature _____

Please be sure to staple receipt to this form.

Special Fund Account Numbers, Descriptions and Authorization of Expenses

212 Furnishings Reserve -- Furnishings Committee

This fund is available for furnishings that may be larger than is allowed for in the annual operating budget. Generally, money not spent from Account 512 (Household Furnishings) during any fiscal year is transferred into this fund in order to maintain a sufficient balance (\$2000, established 2012) to cover planned and unexpected furnishings expenses. If Account 512 is overspent in a fiscal year, money is transferred from this fund to cover those expenses.

213 Office Equipment Fund*

This fund, established in 2006, is available to purchase computers and other equipment for the office that may be larger than is allowed for in the annual operating budget. Generally, money not spent from Account 513 (Office Equipment) during any fiscal year should be transferred into this fund in order to maintain a sufficient balance (\$2000, established 2012) to cover planned and unexpected equipment expenses.

232 Capital Improvements*

This fund is used for infrequent expensive projects, either planned or emergency, relating to the buildings and grounds. Typically, money not spent from Accounts 531 (Maintenance) and 532 (Capital Improvements) during any fiscal year is transferred into this fund in order to maintain a sufficient balance to cover planned and unexpected property-related expenses.

233 Environmental Improvements*

This fund is used to reduce the Meeting's use of fossil fuels and output of waste that leads to environmental degradation including climate change. It can be used for installing solar panels or for other energy conservation needs on the Meeting property. Money in this fund can be used (along with funds for capital improvement) to carry out projects approved by the meeting upon the recommendation of the Property and the Environment and Social Concerns Committees.

234 Sufferings & Prisons – Ad hoc Committee with members from Ministry and Counsel and Peace and Social Concerns Committees--appointed by Peace and Social Concerns Committee when needed.

This fund was established to help Meeting members and attenders who have financial need arising from sufferings on behalf of their beliefs.

Note: All items may be authorized by the Business Meeting.

* Any item not otherwise noted may be authorized only by the Business Meeting .

237 Dennis Morley/Adda Dilts*

This fund is available to pay for travel to Quaker meetings and gatherings by high school age friends. It was started with funds given in memory of Dennis Morley, and received additional funds from the estate of Adda Dilts. The Meeting occasionally transfers money into the fund as needed.

251 Dunham Publication*

252 Dunham Library*

These funds were started with gifts from the estate of Arthur and Esther Dunham and are to be used to continue projects started by Arthur Dunham. The Publications Fund is for publication or distribution of Arthur's writings, particularly on being a conscientious objector in World War I.

253 Phone Tax -- Peace and Social Concerns Committee

This fund is used to receive phone tax moneys that have been withheld by Meeting members or attenders from the government in protest. The moneys accumulated are sent periodically to selected peace and services organizations.

255 Youth Activities Fund -- Young Friends Meeting for Business

This fund was established by the young people of the Meeting and is used for projects as they choose. They regularly have fund raising projects or solicit contributions to replenish the fund and support their projects.

250 Post Hardship -- Ministry and Counsel

This fund, originally established with a gift from Rita Post, is used to assist Meeting members and attenders who have personal emergency financial needs. Unused money from Account 650 (Hardship Relief) is regularly added to this fund if it needs replenishment (base balance \$5000, established 2012).

259 Post Enabling -- Ministry and Counsel

This fund, originally established with a gift from Rita Post, is available to promote worthwhile activities for youth and adults from the Meeting with the intention of providing funds for a) youth travel, b) outreach to the world community, and c) strengthening "Quaker ties." Generally, money not spent from Account 659 (Post Enabling Support) during any fiscal year is transferred into this fund in order to maintain a sufficient balance (base balance of \$5000, established 2012).

Note: All items may be authorized by the business meeting.

* Any item not otherwise noted may be authorized only by the business meeting .

260 Voluntary Carbon Tax Fund – Environment and Social Concerns

This fund is used to receive donations from individuals who wish to pay a “voluntary carbon tax” reflecting the social cost of the participants’ individual carbon footprints. Money from the fund is used for the purpose of helping organizations that are working on reducing the “carbon footprint” of society, which may include transferring money to (233) Environmental Improvements Fund.

265 PIAG Informational Materials Fund – Peace and Social Concerns

This fund is used to produce and distribute items such as the Info-Map cards at cost and to receive payments for them. Authorization approval may be delegated to a named member of Palestine Israel Action Group (PIAG).

266 Palestinian Travel Fund – Peace and Social Concerns and Business Meeting

This fund was established with a donation from Sol Metz, in honor of Carfon Foltz, to support travel to Israel-Palestine for the purposes of fostering peace and reconciliation. Funds to be disbursed upon application to Peace and Social Concerns Committee, which will (possibly through a delegated sub-group such as PIAG) recommend action to business meeting for approval.

290 Accrued Employee Benefits (Personnel)

This fund holds unpaid accrued employee benefits. Any accrued benefits remaining at the end of a fiscal year are transferred into this fund.

Temporary Funds (Treasurer)

Temporary funds are established by the business meeting; the Treasurer may authorize payments on receipt of designated funds

Note: All items may be authorized by the business meeting.

* Any item not otherwise noted may be authorized only by the business meeting .

Income and Expense Account Numbers, Descriptions and Authorization of Expenses

Income Account Numbers

401 Contributions

Contributions to the work of the meeting, not based on use of the building and not designated to a specific budget line or fund

411-413 Facility Use:

411 - Organizational Offices

ICPJ, other organizations as appropriate

412 - Hourly Users, Guests

Outside users of rooms in the Ann Arbor Friends Center

413 - Residential Community

Residents of Quaker House

420-424 Interest (fixed price)

420 Credit Union or other interest-bearing bank accounts

Interest on accounts-- checking and savings

425-429 Returns (fluctuating price)

426 Friends Fiduciary Fund (fluctuating value)

Change in value

480 Literature & Library

Funds received for sale of books or other literature

490 In-kind Contributions

Non-cash contributions (will be balanced by expense item of same amount)

499 Miscellaneous

Any income not otherwise categorized that goes toward general operating expenses; minor adjustments owing to arithmetic or unidentified credits or expenses

* Any item not otherwise noted may be authorized only at a business meeting.

Expense Account Numbers

501 Supplies & Postage -- Clerk, Staff

Includes office supplies, copying, and postage; also includes payment of quarterly notice in Friends Journal about time and place of meeting

502 Miscellaneous Administration -- Clerk, Treasurer, Meeting Worker

Includes items like registration fees, safe deposit box fee

504 Clerk's Fund -- Clerk

This may be used at the Clerk's discretion

511 Household Supplies -- Meeting Worker

This includes items such as paper towels, cleaning supplies, etc.

512 Household Furnishings -- Furnishings Committee

Furnishings for the Meetinghouse and Quaker House

513 Office Equipment – Personnel Committee or Meeting Worker up to \$250

Computers and other equipment for the office

521 Electricity -- Treasurer

Bill includes Quaker House, the Meetinghouse, and ICPJ. [Keep separate records of ICPJ electricity to ensure that rental fee is fair.]

522 Gas -- Treasurer

Bill includes Quaker House, the Meetinghouse, and ICPJ office

523 Water and Sewer -- Treasurer

Bill includes both Quaker House and the Meetinghouse

524 Telephone Net -- Treasurer

The Treasurer may request the Meeting Worker to investigate any unusual charges

531 Maintenance -- Meeting Worker up to \$250, Property Committee up to \$1000

Expenses for maintenance of the property

532 Capital Improvements* (Property Committee approves payment of invoices)

Large expenses for maintenance of the property; generally projects over \$1000; may be either planned or emergency.

* Any item not otherwise noted may be authorized only at a business meeting.

540 Insurance – Treasurer

This includes liability insurance for the building. Note that Workers Compensation insurance is included in Wages and Benefits

590 Wages and Benefits – Treasurer

Salaries, wages, taxes, FICA, pension, and Workers Compensation payments, for statutory employees and regular independent contract workers. Wages and benefits are set at hiring for each statutory employee and regular contract worker by the Personnel Committee, and thereafter in consultation with the Finance Committee as part of the budgeting process

601-609 Quaker Organizational Support – Treasurer

The amount of support for each organization is set in the budget for each year.

601 - Green Pastures Quarterly Meeting

Based on June 1 membership figures of the prior year

602 - Lake Erie Yearly Meeting

Based on June 1 membership figures of the prior year

603 - Friends Lake Community

604 - Friends School in Detroit

605 - Michigan Friends Center

606 - AFSC Michigan Area Office

607 - Friends Committee on National Legislation

608 - Friends General Conference

609 - Friends World Committee for Consultation

610-649 Standing Committees -- Respective Committees

611 - Children and Families

612 - Peace and Social Concerns

616 - Ministry and Counsel

617 - Membership and Outreach

618 - Refreshments and Potluck – (Meeting Worker also may authorize)

620 - Quaker House

621 - Residential Community –Resident Host

623 - Environment and Social Concerns

649 - Other Committees

650 Hardship Relief -- Ministry and Counsel Committee, Clerk

Money to be used within the discretion of the Clerk or Committee to meet needs of individuals, generally members or attenders of the Meeting

* Any item not otherwise noted may be authorized only at a business meeting.

659 Post Enabling Support – Ministry and Counsel

Money to be used for registration and travel expenses for members' attendance at Quaker meetings and conferences such as LEYM, FGC, and other appropriate purposes upon application to Ministry and Counsel.

660-661 Contributions

660 Budgeted Contributions -- Contributions Comm. up to 10% of budget

The total budget for contributions to other organizations is set in the budget each year. See description under Contributions Committee in the Meeting Handbook of how decisions are made to distribute the funds

661 Special Contributions *

Contributions made during the year for special requests that come to the attention to the Meeting. This may include one-time special contributions to organizations to which the Meeting regularly contributes

670 Travel and Attendance *

Used to pay registration and travel expenses for persons attending a meeting or conference as a representative of the Meeting

680 Literature & Library -- Staff, Membership & Outreach Committee

Includes books for new members as well as library materials

690 Child Care – Committee on Children and Families; all Committee conveners

Includes payment for child care during any Meeting function; committee conveners may authorize child care funds for functions relating to their committees.

695 Transfer to Funds*

Planned transfers into Meeting Funds as part of the annual financial reporting process.

* Any item not otherwise noted may be authorized only at a business meeting.