

Permanent Board Meeting
August 1, 2015
Castleton College, Castleton, Vt

9:30 Opening worship

10:00 Meeting for worship with attention to business begins:

* indicates items which must be heard before Sessions

1. Roll Call
2. Minutes from May ([attached](#))
3. YM Presiding Clerk's report
4. YM Secretary's report (See [Sessions Advance Documents](#))
5. PB at Sessions* (Clerk's reminder)
6. ad hoc Structural Review Committee* (See [Sessions Advance Documents](#))
7. Long Term Financial Planning Committee* (See [Sessions Advance Documents](#))
8. ad hoc committee on the Student Loan fund* (See [Sessions Advance Documents](#))
9. Appointments to the Legacy Gift Committee*
10. Personnel Committee: Reappointments*, and Personnel Manual revisions ([attached](#))
11. Finance Committee
 - a. Budget Overrun Policy* ([attached](#))
 - b. Grants Application Process Policy ([attached](#))
12. Development Committee*
13. Travel Minute for Beth Gorton* ([attached](#))
14. Friends Camp Director Search Committee ([attached](#))
15. YM Secretary: Request for Guidance and Authorization Regarding Tax and Legal Issues ([attached](#))

No later than 1:10: Closing worship

Registration goes to 1:30

Lunch ends at 1:45

Upcoming Meetings:

August 6, 2015, Castleton College, Castleton, VT

September 26, 2015

November 21, 2015

February 20, 2016

May 21, 2016

New England Yearly Meeting of the Religious Society of Friends
Permanent Board Minutes **Draft**
May 9, 2015
Storrs Friends Meeting

15-24 Opening Worship: Permanent Board met in worship at Storrs Friends Meeting, accompanied by the birds and breezes of a lovely spring day.

15-25 Welcome: We were welcomed by Annamarie Andrews, clerk of Storrs Meeting, who relayed the Meeting's prayers for us and our work.

15-26 Roll Call: The Recording Clerk called the roll:

Present: Virginia Bainbridge, Holly Baldwin, Travis Belcher, Deana Chase, Jeremiah Dickinson, Hannah Zwirner Forsythe, Christopher Gant, Sarah Gant, Ian Harrington, Jan Hoffman, Nancy Isaacs, Sandy Isaacs, Allan Kohrman, Rebecca Leuchak, Jean McCandless, Bruce Neumann, Suzanna Schell, Sara Smith, Becky Steele, Carolyn Stone, Philip Stone, Bill Walkauskas, Donn Weinholtz, Fritz Weiss.

Regrets: Aimee Belanger, Jacqui Clark, Susan Davies, Justice Erikson, Ben Guaraldi, Galen Hamann, Leanna Kantt, Rocky Malin, Elias Sánchez-Eppler, Karen Sánchez-Eppler, Patricia Shotwell, Elizabeth Szatkowski, Rosemary Zimmermann.

Ex-officio: Noah Baker Merrill (Putney, Yearly Meeting Secretary), Robert Murray (Beacon Hill, Clerk of Personnel), Jacqueline Stillwell (Monadnock, Presiding Clerk). Shearman Taber (Beacon Hill, Clerk of Finance).

Visitors: Mary Frances Angelini (Framingham), Edward Baker (Westerly, YM Sec Supervisor), Clarence Burley (Worcester), Eileen Crosby (Mt. Toby), Cindy Fanning (Providence), Carol Forsyth (Putney), Janet Hough (Cobscook), Marilyn Manzella (Framingham), Frederick Martin (Monadnock), Christopher McCandless (Burlington), Kathleen Wooten (Amesbury).

15-27 Minutes: We considered the minutes from our Feb. 21 meeting. Changes were suggested. Friends **approved** the amended minutes.

15-28 Best Practices: Considering a very full agenda, the clerk asked us to take a few moments to consider best practices for PB Meetings. Thoughts included: be brief, be clear; listen; wait to be called on; speak clearly and distinctly; listen for what has been already said, if it's close enough, refrain from speaking; if you speak often, consider whether you are led to speak, if you speak seldom, consider whether you are called to speak; invite worship in.

15-29 Presiding Clerk Report: Jackie spoke of her joy in preparing for this meeting, and in working with Holly. We were reminded that the theme for Sessions is "Living into Covenant Community," an exploration of how we live more fully into our sacred bonds with God and with each other. Given that there is a big parade in

Castleton on the Saturday afternoon Sessions begins, Friends will need to arrive in the morning, or late afternoon.

15-30 Yearly Meeting Secretary Report: Noah described a promising sign, that he has been hearing “we” more often, as opposed to “they,” when Friends refer to the Yearly Meeting. When he travels, one essential message he communicates is “You are not alone,” and he finds it encouraging that there seem to be more calls from MM’s for assistance of various sorts.

Noah reported that several situations have shown that a set of by-laws would be useful in NEYM’s interactions with the wider world. Faith and Practice is useful, but certain language common to non-profits is missing, which would help translate our spiritual practices into language where we can interact with the world. Such by-laws would likely be separate from F&P. Friends pointed out that we are incorporated in several states, and that there are a variety of regulations that may influence the language or format of by-laws.

Friends **approved** appointing a small group to work with Noah and General Counsel to explore the appropriateness of establishing by-laws or other additional governing documents for the Yearly Meeting. This work should include consideration of the ways we are incorporated in various states. Chris Gant, Ginny Bainbridge, and Edward Baker offered to help in this work.

15-31 YM Secretary Review: Edward Baker, Supervisor to the YM Secretary, told us that the annual appraisal process has begun. While the first phase is one of self evaluation, the second phase will include outside observations of Noah’s work. Edward welcomes input from Friends who interact with Noah. There is a form in the Personnel Policy Manual.

15-32 Archives Committee: Mary Frances Angelini, clerk of the Archives Committee reported on the consideration of moving our NEYM archives to a new location (see PB Minutes 13-53 and 14-96). The committee sent a note to monthly meetings requesting input. The few that responded suggested that having the archives geographically nearby to New England Friends would be important. The committee also sent a Request for Proposal to eleven institutions that might be interested in housing our archives. Five of these responded with proposals. Several of these were eliminated due to their distance or limitations on access to documents. As they continued correspondence with, and did site visits at the remaining institutions, the Special Collections and University Archives (SCUA) at UMASS Amherst emerged as the best option. In addition to good accessibility to documents, and a good digitization program, this archive is interested in an on-going relationship, not just our older historical documents. This library has a particular interest in the history and experience of social change, and feels that the Quaker movement in New England will be a good fit with existing collections. [\[see full proposal\]](#)

One important remaining question is whether the archives would be given through a deed of gift or a deed of loan. While deed of gift is the standard practice, UMASS is willing to consider a deed of loan. We understand that an important

aspect of this is that if it is a deed of gift, SCUA assumes the duty of care and preservation.

Regarding concerns about what would happen to the NEYM archives if SCUA no longer wanted them as part of their collection, Noah pointed out that the agreement would include language that our documents would be returned if they were no longer able to keep them. We also understand that some documents may be returned during the incoming accession process.

Friends **endorsed** the Archives Committee's recommendation that the NEYM archives be transferred to the Special Collections and University Archives at UMASS Amherst. We expect that this recommendation will come to Sessions from the Archives Committee.

Friends **approved** of the Archives Committee's recommendation, pending Sessions approval, that Permanent Board would be authorized to work with counsel and the Archives committee to finalize the terms and conditions of the move.

Permanent Board Friends expressed the hope that the agreement with UMASS would include arrangements for the return of the collection if UMASS is unable to care for the collection at any point in the future.

We understand that the question of supporting an archivist, strongly encouraged by the committee, is an on-going concern.

We thanked Mary Frances, Carol Forsythe who drew on her professional experience to serve as Project Coordinator, and the rest of the Archives Committee for their good work on this endeavor.

15-33 Finance Committee: Shearman Taber, clerk of Finance Committee, asked for questions and comments about the draft budget which was part of the advance documents.

Several comments expressed reservations about using funds from the Legacy Gift. Other comments touched on the accreditation fee for Friends camp. Some feel this cost should be born by the Camp, others recognize that accreditation is our (NEYM's) piece of accountability.

Replying to a question about a 4% increase in expected MM contributions, Shearman agreed that it is ambitious, but pointed out that it is necessary for financial stability. We recognize that more can be done in communicating with MM's about the value of NEYM (Note that the PB initiative for relationship building will contribute to this), and about expectations for amount and timing of contributions.

While one Friend encouraged forming a committee to consider staff cuts, another reminded us that staff are real people doing important work among us.

The clerk of Long-Range Financial Planning Committee reminded us that a clear vision would help us in aligning our priorities.

Having voiced some concerns which will be considered in future Finance Committee deliberations, Friends found themselves in essential unity with the budget recommendations. The clerk voiced our collective sense that this is “exciting and scary, as we take bold steps into the future: trying to change our ways but not being able to change fast enough.” We thanked the Finance Committee for its hard work and deliberation.

15-34 Memorial Minute: During a period of worship we heard a memorial minute for Anna Coit. We **approved** forwarding the minute to Sessions.

15-35 Memorial Minutes Preparation: The clerk asked for volunteers to shepherd preparation of memorial minutes for sessions. Since all minutes will be printed in their entirety, this committee does not need to do extensive editing, but will need to check YM references and approvals. Allan Kohrman and Patsy Shotwell (in absentia) volunteered.

15-36 Long-term Financial Planning: With the aid of a PowerPoint presentation, Chris Gant presented an update on the work of the Long-Range Financial Planning Committee. Recognizing that a number of other groups have considered the state and the needs of the Yearly meeting, the LRFPC chose not to do new research, but to study the conclusions of these other groups. They also recognized that they could not work on a long-term plan without understanding the values and vision underlying NEYM. At our February meeting, we amended their charge to include considering the vision of the YM.

The committee has distilled five core areas of concern: Spiritual development, Outreach, Leadership, Accountability, and Relationship and communication. (Note that the first letters create the acronym SOLAR). These concepts are themes, behaviors, and habits: if we change our habits, we will change the way we are. They hope that we, as a gathered people, can: prioritize what we are doing; demonstrate effectiveness, clear vision and clarity of purpose; and improve communication. Can we attract more people to the Society Friends, not for the monetary input, but because we believe we have something to offer? Hoping to make a similar presentation at Sessions, the LRFPC was interested in feedback and support for the core concepts.

Some Friends struggled to see how specific concerns fit in the five points, such as where does Youth Programs, a vital integral part of the YM, appear? *How* will improved sharing and coordination with MM happen? Others confessed that while in essential sympathy with the concepts, the presentation did not have its desired effect.

We **approved** the following minute: *We support the continuing work of LTFP as they explore the vision and purpose of the Yearly Meeting. We understand that these are not proposals, but part of an on-going search for how we are led to greater faithfulness as a Yearly Meeting.*

15-37 Yearly Meeting Nominating: Christopher McCandless, for Yearly Meeting Nominating Committee, presented names for our consideration:

- Moses Brown School Board

- Michael Hirtle (Providence), class of 2018
- Dawn Tripp (Allen’s Neck), class of 2018
- Peter Crysedale (Durham), class of 2018
- Don McNemar (Cambridge), class of class of 2018
- Elizabeth Zimmerman (Providence), class of 2016
- Puente de Amigos Committee
 - Deana Kinsky (Mattapoisett), class of 2017

Friends **approved** these names.

15-38 Clerk’s Nominating: For the Clerks Nominating Committee, Christopher McCandless also presented names for the clerks table, to begin service at the close of sessions 2015:

- Presiding Clerk: Fritz Weiss (Hanover)
- Recording Clerk: Rachel Walker Cogbill (Plainfield)
- Recording Clerk: James Grace (Beacon Hill)
- Reading Clerk: Katherine Fisher (Beacon Hill)
- Reading Clerk: Andrew Grannell (Portland)

Friends **approved** these names.

15-39 Internal Nominating: Donn Weinholtz, on behalf of Internal Nominating Committee, presented three names for our consideration:

- Permanent Board Recording Clerk: Rebecca Steele (Providence)
- Personnel Committee: Neil Blanchard (Framingham)
- Yearly Meeting Nominating: Connie Kincaid-Brown (Hanover)

Friends **approved** these nominations

15-40 Structural Review Committee: Christopher McCandless, a member of the Structural Review Committee, spoke on behalf of the clerk who was unable to attend. We understand that the committee has been struggling, both with personnel changes and with interpersonal challenges. The current clerk, Lisa Graustein, intends to resign as of August.

Christopher shared that while the committee is not ready to make any formal recommendations, there is movement towards recommending more gatherings (likely YM-wide mid-year gatherings), and a revised committee structure where committees with similar charge are grouped under an “umbrella” for increased communication and cooperation.

Several Friends expressed dismay that a committee under our oversight would be so “battered” that the clerk would suggest laying the committee down before concluding their work.

Noah acknowledged that PB may not have been clear enough about the charge and expectations for this committee and that Coordinating and Advisory Committee, which offered the names for this group, would be helped by greater clarity about its role and authority in supporting and guiding committees.

15-41 Development Committee: Sarah Smith announced a matching gift program “Live into Hope-Give in Faith.” Two Friends have offered \$10,000, if NEYM friends are

able to raise that amount in increased donations. For those giving already, any *increase* will be matched, for new donors, the amount will be matched at 150%. All members of Permanent Board were encouraged to ensure they are making a financial contribution meaningful to them.

15-42 Board of Managers: The Board of Managers of Investments and Permanent Funds presented a request for approval of a proposed minute of purpose. This minute would provide a much needed authorization of their authority in the BOM's relationship with various financial institutions. Friends **approved** the following minute:

The purpose of the Board of Managers of Investments and Permanent Funds as approved by New England Yearly Meeting in its annual Sessions is:

"The Board of Managers of Investments and Permanent Funds is responsible for the management and investment, consonant with Friends principles, of Yearly Meeting funds and funds entrusted to it by meetings, schools, and other Friends organizations for the purpose of maintaining a source of continuing income and growth of capital."

In order to accomplish that purpose New England Yearly Meeting authorizes the Board of Managers to open and close bank and brokerage accounts, appoint account signers and to establish agreements with Financial Advisers and others as they deem necessary.

15-43 Travel Minute: Friends **approved** the clerk endorsing a travel minute for Sheila Garrett.

15-44 The Future of the Student Loan Fund: for the group considering the future of Student Loan funds, Rebecca Leuchak presented a revised proposal [[see full proposal](#)] based on input at our November meeting (PB Minute 14-104). The group is proposing to make the money in the Student loan Fund (currently about \$80K) available as grants, in the amount of \$2000 each, to any student working towards an educational qualification. Grants would be restricted to one per year, and would be available to NEYM members, children of NEYM members, and individuals who have been active at the MM, QM, or YM level, including retreat programs. In the case of non-members, a letter from the relevant meeting clerk, or from an NEYM staff person would be required. Those interested would submit an application, including a short essay, to a granting committee appointed by PB. While they recognize that there is an on-going need for educational funding, the group understands that we are neither good at administering loans or in a good position to fundraise for a permanent fund. Given the limited size of the pool and expected applications, we would expect to spend down this pool in a few years. The group is proposing up to two annual disbursements, with a total annual disbursement limited to \$30K, to ensure the fund does not vanish too quickly. Friends **approved** bringing the basic elements of this proposal to Sessions. Friends **approved** asking Internal Nominating committee to consider names for a granting committee, should the proposal be approved. Friends **approved** discontinuing the accrual of interest on existing loans.

Friends **approved** recommending that NEYM sessions lay down the Student Loan Program and the Student Loan Committee.

We discussed the oversight of this program and agreed that we do not want to establish another on-going committee, and that the work of the granting committee will be under the oversight of PB.

We considered briefly whether to forgive loans for those who cannot be found.

While there was some question about the impact of this on existing loan holders who are indeed paying down the loan, we also understand that there is some language in the loan agreement which may provide light on this.

15-45 FWCC: We considered a request from the NEYM committee for the Friends World Committee on Consultation (FWCC). FWCC is planning an International Representatives Meeting in Peru in January 2016, and has requested that NEYM name the delegates to that gathering. Friends **approved** appointing the following Friends: Rachel Guaraldi (Beacon Hill), Ben Guaraldi (Beacon Hill), Jacqueline Stillwell (Monadnock), and Noah Baker Merrill (Putney).

15-46 Public Statements: Ian Harrington, representing a PB working group considering a policy to guide the YM Secretary and the Presiding Clerk in making public statements, presented a draft minute. The minute, if approved at Sessions, would allow the YM Secretary and the Presiding Clerk to make public statements on behalf of NEYM, when time does not allow for such a statement to be approved at Sessions [[view full minute](#)]. Friends **approved** forwarding this minute to Sessions.

15-47 Request from Belfast Meeting: We considered a request from Belfast Area Friends Meeting for financial support in erecting a sign. We note with pleasure that the need for the sign is evidence of growth and hope at this small meeting. Friends **approved** forwarding the request Ministry and Counsel, who have care of the Pittsfield Varney fund, whose resources are restricted for “evangelistic or church extension work.”

15-48 Next Meeting: Our next meeting will be at Castleton College, on August 1, 2015.

Holly Baldwin, Clerk

Bruce Neumann, Recording Clerk

**Request to Permanent Board for Changes to the NEYM Personnel Manual
From the Personnel Committee
August 1, 2015**

The Personnel Committee seeks approval of certain changes to the NEYM Personnel Manual. The sections in question are below, with the changed text highlighted in yellow. These changes are being presented now because they either concern matters related to business of the 2015 Yearly Meeting Sessions or an update on current practice in an important area of personnel management.

The Committee will bring the complete Personnel Manual with a large number of proposed changes to a future meeting of Permanent Board.

Change #1: Section II D. Staff Supervision

1. YM Secretary Supervision

The YM Secretary will be supervised by a qualified Friend appointed by Permanent Board through its Internal Nominating Committee process for a renewable three-year term. We expect the Supervisor to the YM Secretary will have significant experience and a level of skill as a supervisor to leadership, as well as strong connections to the Yearly Meeting. The Supervisor will serve as a full member of both C&A and the Personnel Committees and will thereby serve as a liaison between these two committees.

The YM Secretary will participate in an annual performance appraisal by C&A so that a recommendation on continuing employment can be made to Yearly Meeting Sessions. The C&A Committee will bring its evaluation and recommendation on continuing employment to Permanent Board which will make a recommendation on continuing employment to Yearly Meeting.

2. Friends Camp Director Supervision

b. The Friends Camp Director is supervised by the Friends Camp Committee, which delegates day-to-day supervision to a qualified Friend, who is a member of the Friends Camp Committee. The Camp Director will participate in an annual performance appraisal by the Camp Committee. The Camp Committee will bring its evaluation and recommendation on continuing employment to Permanent Board which will make a recommendation on continuing employment to Yearly Meeting Sessions.

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Change # 2: Section III A 5 Search Process for Managerial Staff

III A 5 b Search Process for Camp Director

When the Camp Director position becomes, or imminently will become, vacant, the Permanent Board shall appoint a Search Committee of not less than 5 nor more than 7 members, including at least one member of the Personnel Committee. The Camp Committee may recommend members of the search committee. Efforts should be made to select a group which reflects the diversity of NEYM. One member of the committee should have professional experience in the hiring process. This person shall take

responsibility for insuring good search process and communication with candidates (see Appendix – Search Procedures). The committee should also include one or more people with an understanding of summer camp operations. Permanent Board expects the Search Committee will bring a recommendation on a single candidate. The Permanent Board shall, in turn, recommend a candidate to Yearly Meeting in its annual Sessions.

III A 5 c Appointment of an Acting Camp Director

In some cases an acting or temporary Camp Director may be needed to manage Friends Camp because of sabbatical, illness, or termination. In such a case the Camp Committee Clerk, Clerk of Permanent Board, and the Yearly Meeting Secretary will meet to appoint an acting Camp Director until a permanent Camp Director is hired and approved. The appointment of an acting Camp Director will be approved by the Permanent Board.

Change #3: Section III H. Records and Permanent Files

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An employee's permanent personnel file shall be maintained in a locked file in the Yearly Meeting Office. Administration of the file is the responsibility of the Yearly Meeting Secretary. Elements of the file include an employee's application for employment, employee information form, approved job description, benefit election forms, regular written staff reports, records of vacation time accrued and used, annual reviews, employment letters and other materials or correspondence pertinent to an employee's record of employment.

Change #4: Section IV. A. Salary Range

The Yearly Meeting desires to pay salaries commensurate with job responsibilities, experience and performance. The Personnel Committee establishes a salary range for Managerial-level staff positions in consultation with the Permanent Board and the Finance Committee. The range is reviewed each year and salaries are adjusted by the amount of any cost of living adjustments (COLA). The Supervisor of the Yearly Meeting Secretary will have responsibility for initiating this consultation.

Salaries and wages for Administrative and Program-level staff will be based on recommendations of the positions' supervisor made to the Personnel Committee, and on their approval, advanced into the Yearly Meeting budget process by the YM Secretary.

Submitted on behalf of the NEYM Personnel Committee by Robert Murray, clerk.

Revision of Budget Line Item Overrun Policy
Finance Committee
July 15, 2015

Purpose:

The purpose of this revision is to:

- Reduce the need to come to Permanent Board for minor budget overruns.
- Clarify the definition of a line item.
- Improve oversight when extensive modifications have been required.

Background:

The current budget overrun policy is established under several minutes approved by Sessions, the Finance Committee and Permanent Board in approving the Personnel Policy. The primary minutes regarding budget overrun policy read:

“The Treasurer is not authorized to pay expenses in excess of any budget line item without prior approval of the Clerk of the Finance Committee. The Finance Committee Clerk can on his or her authority authorize overruns up to 10% of any budget line item. Larger overruns must be approved by Permanent Board.”
(Sessions 2000-51.5.)

and separately

“Committees may not exceed the expenses authorized for them in the budget.”
(Sessions 1999-39.5)

The clerk of the Finance Committee and the Treasurer had two widely divergent interpretations of what constituted a budget “line item”. In essence it was a question of whether the “lines” in the Summary Budget should be used as the governing amount, or the “lines” in the more detailed Expanded Budget.

The Yearly Meeting Secretary questioned whether small overruns which exceeded the 10% limit, especially in committee budgets should require the time and attention of Permanent Board.

At the same time there is a need to control the potential increases in the total budgeted expenses, and for that 10% seemed like too large an addition before significant oversight was initiated.

Action:

The Finance Committee asks Permanent Board to approve the adoption of the following budget overrun policy.

The Treasurer is responsible for ensuring that expenses are kept within the limitations of the budget as approved by Sessions.

1. When expenses for a line item, as defined by Finance Committee policy, exceed the budget the Treasurer must notify the Clerk of the Finance Committee and get written approval prior to making any such payments.
2. The Finance Committee Clerk can on his or her authority authorize overruns up to 10% or \$250, whichever is greater, of any budget line item. The Finance Committee Clerk will notify the members of Finance Committee of these overages in a timely manner.

3. Overruns in excess of that must be approved by Permanent Board. Such a minute shall be included with the approval documentation.
4. When the sum of the overruns reaches 3% of the total budgeted expenses the members of Permanent Board and Finance Committee must be notified and all further overruns must be approved by Permanent Board.

Written documentation of such approval shall be kept with the files for expenses related to that line. All requests and the approval or denial action taken to exceed a line item shall be communicated with the membership of the Finance Committee in a timely manner.

This new policy replaces all previous overrun policies approved by the Yearly Meeting.

Discussion:

This policy will replace policies contained in at least 3 different minutes into one statement.

1. It clarifies the definition of a line item, while allowing the flexibility to easily modify it as adjustments are made to our accounting practices as we add and remove various budgeted lines. (The line item definition set by the Finance Committee is included below.) This policy will allow funds in one detail line be used in another line within a larger category. For example, in the Travel line money for the Clerk's travel could be moved to the Staff Travel line if such an adjustment were needed. The expanded lines are still very useful in our accounting and determining what adjustments should be made in the budget setting process.

2. The 10% limit is expanded so that for smaller lines the limit is up to \$250 for what the Finance Committee clerk can authorize without having to present the change to Permanent Board. At this time that expanded limit will apply mainly to committee budgets.

The reason each committee has its own limit is to prevent one of the committees with a large budget from using the available overrun early in the year and thus penalizing a committee which had planned to spend its money later in the year (like at Sessions) which would then have to get Permanent Board approval for a small mis-estimate in their expenses.

This policy also requires that all members of the Finance Committee are notified of overages, something which has not always occurred in the past.

3. This is in line with our current policy. It provides for Permanent Board oversight of larger overruns.

4. Limiting the total overruns to 3% provides for increased oversight of the activities of the Yearly Meeting. This year our budgeted expenses are about \$800,000. This limit means that if we exceed our budget by \$24,000 spread over a number of lines even if none exceeds the 10% limit, Permanent Board must be notified, and approve those increases. Such an event would indicate it was time to re-evaluate our priorities. and potentially make adjustments in other areas.

Attachments:

In anticipation of Permanent Board's approval of the proposed policy on budget overages, [Finance Committee] **approved** defining the following as line items for the purposes of the budget overrun policy.

5000 Staff - all lines from 5010 thru line 5050 plus line 5130 Contracted Services.
5110 Administration - all lines from 5110 thru 5190 minus line 5130 Contracted Services.

5200 Office - all lines 5210 thru 5295.

5300 Travel - all lines 5310 thru 5360.

6000 Programs - all lines 6105 thru 6129.

6140 Books - lines 6141 thru 6149.

6200 Benevolences - all lines 6310 thru 6590.

6600 Publications - all lines 6610 thru 6640.

The expenses of each yearly meeting committee represent its own line item.
(They are combined in line 6130.)

Signature:

Shearman Taber

clerk NEYM Finance Committee

Revision of Grant Application Policy
Finance Committee
July 15, 2015

Purpose:

The purpose of this policy revision is to clarify the current policy and modify it help the Yearly Meeting keep track of all grant applications and properly handle awarded funds.

Background:

In 1991 Permanent Board adopted the following grant application policy:

PB 8/3/91 #15 Yearly Meeting committees, individual committee members, or yearly Meeting staff wishing to apply for a grant in support of the ongoing work of a Yearly Meeting committee or of a Yearly Meeting staff person, or to apply for a grant to initiate new work of such a committee or Yearly meeting staff person, should prepare the grant application in consultation with the Yearly Meeting Finance Committee. Any application for a grant of \$1000 or more must have the approval of the Yearly meeting in session or of the Permanent Board, and carry a written endorsement by the Clerk of the Yearly Meeting or by the Clerk of the Permanent Board before it is submitted. These restrictions shall not apply to the committees of the Yearly Meeting which are authorized from time to time to make general appeals directly to members of the Yearly Meeting. If any grant application involves the hiring of or contracting with additional personnel, approval and written endorsement by the clerk of the Personnel committee must be obtained.

- This policy established requirement that anyone applying for a grant work with the Finance Committee to prepare the application. Now that we have an executive secretary it seems reasonable that that individual work with the committee or staff member on the application and be responsible for communicating with those need to know about the application.

– The current policy says Permanent Board needs to approve requests over \$1000, which while reasonable at the time is now an excessively low threshold. We are proposing that that limit be increased to \$10,000.

– Finally It also exempted a number of committees from these requirements. That exemption is being removed so:

- we have common administrative oversight of all grants,
- we can anticipate additional demands on staff time and other resources,
- we are prepared to properly track the funds awarded under the grants

Action:

The Finance Committee is asking Permanent Board to adopt the following policy on applications for grants which will supersede our previous policy.

All Yearly Meeting committees, working groups, or staff wishing to apply for a grant or grants (to initiate new projects or programs, or to support the ongoing work of a Yearly Meeting committee or staff person) will consult with and gain the approval of the Yearly Meeting Secretary before submission. It is the Secretary's responsibility to coordinate grant applications, include appropriate administrative costs, approve the final version of the proposals, and inform both the Clerk of Finance Committee and the Clerk of Permanent Board of pending submissions in a timely manner.

1. Committees, working groups, or staff seeking external support in excess of \$10,000 or requiring allocation of additional funds from the Yearly Meeting must also receive approval from the Permanent Board prior to submission of the application. Permanent Board does not need to approve the application itself.
2. In the event that monthly or quarterly meetings wish to apply for grants to be administered by the yearly meeting, they should follow the process outlined above.
3. Any grant application that includes hiring or contracting additional personnel in addition requires the approval and written endorsement of the Clerk of the Personnel Committee.

Signature:

Shearman Taber
clerk of Finance Committee.

Quaker City Unity Friends Meeting

Jennifer Wright, co-clerk: 168A Quaker City Road, Unity, NH 03603; 603-543-0910
Rebecca MacKenzie, co-clerk: 7 Glenwood Drive, Claremont, NH 03743; 603-504-2851;
reb178@myfairpoint.net

June 1, 2015

Dear Friends,

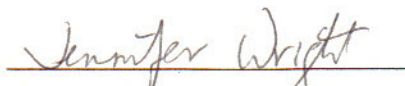
Loving greetings from Friends of Quaker City Unity Friends Meeting in New England Yearly Meeting (NEYM). We commend to your loving care Friend Beth Gorton, who is a member of Quaker City Unity Friends Meeting, and will be traveling this next year visiting with Friends.

Beth currently serves as a representative from Quaker City Unity Friends Meeting (QCUFM) on NEYM's Ministry and Council. She also serves on NEYM's Ministry & Council's Working Group on Inter-visitation. Beth is a regular representative of QCUFM at the Quarterly level.

Beth has shared with the meeting her leading to travel amongst Friends meetings to encourage better communication through inter-visitation.

We hold Beth in our prayers and trust that God will richly bless your time together.

On behalf of Quaker City Unity Friends Meeting,



Jennifer Wright, co-clerk



Rebecca MacKenzie, co-clerk

Quaker City Unity Friends Meeting, New England Yearly Meeting

Endorsed by Northwest Quarterly Meeting of New England
Yearly Meeting with gratitude for Beth's continuing
service June 7, 2015 - *Constance Kimball-Brown*
Presiding clerk, Northwest Quarterly Meeting

Report to Permanent Board

From the ad-hoc committee forming a search committee for the Friends Camp Director

August 1, 2015

Having heard that Nat Shed plans to leave his position as Director of Friends Camp in fall 2016, the clerks of the following committees met to appoint a search committee to fill the anticipated vacancy: Friends Camp Committee, Permanent Board, Personnel Committee, Internal Nominating Committee.

We present the following names to serve on the Friends Camp Director Search Committee:

Edward Baker (Personnel Committee member)

Maggie Fogarty (at large) (NH - AFSC Staff / Dover Friends Meeting and Camper parent)

Michael Griffin (at large) (Camper Parent, Asst. Director of Camp Netop and ACA Standards Visitor)

David Marstaller (Friends Camp Committee clerk)

Lise Wagner (Friends Camp Committee member)

We recommend that Permanent Board appoint this search committee, and give them the authority to add new members on their own if they find there is a gap on the committee that they'd like to fill, reporting on any additional members at the next meeting of the Permanent Board.

Holly Baldwin, for the ad hoc committee forming a search committee for the Friends Camp Director

Holly Baldwin

David Marstaller

Robert Murray

Donn Weinholtz

To: Permanent Board of NEYM, meeting on 8/1/2015
From: Noah Baker Merrill, Yearly Meeting Secretary
Re: Request for PB Guidance and Authorization Regarding Tax and Legal Issues

7/24/2015

Summary:

Three time-sensitive issues relating to finances, tax and legal status have recently come to my attention. I am requesting guidance and authorization from the Permanent Board in order to address them.

1. The Maine Department of Revenue contacted us seeking to resolve what they saw as errors in payroll reporting for NEYM and Friends Camp.

We have since learned that for several years, Friends Camp filed payroll taxes with the State of Maine under a separate Employer Identification Number (EIN) from NEYM. Recently, they switched to using NEYM's federal EIN for all of their reporting. NEYM's addition of a new staff person (Sara Hubner) who is a Maine resident created complications, because though Friends Camp has been using the same EIN, there is a concern that Maine Department of Revenue and/or a payroll provider may not recognize Friends Camp and NEYM as the same entity based on what they see as a history of separate operations. Friends Camp and NEYM operating division use separate payroll providers; NEYM operating division currently uses PayChex, which handles our payroll across all New England States. Friends Camp uses Bangor Savings Bank, which is a local Maine payroll provider.

In order to move toward a resolution, Friends Camp has agreed to switch back to using their "old" number until the end of calendar year 2015. The FC payroll provider has agreed to adjust their filings to resolve confusion with the State of Maine. Before then, our goals are to: 1) receive guidance from a CPA on how we should resolve this with Maine Revenue, and 2) consolidate payroll into one provider.

I am asking that Permanent Board 1) authorize & direct me to manage the transition from two to one payroll providers by the end of calendar 2015, so that all NEYM payroll will be handled by PayChex; and 2) authorize me to use necessary funds to engage a CPA to advise us and resolve this matter with the State of Maine Department of Revenue.

2. In the past year, Friends Camp received the \$100,000 from the Legacy Gift approved by Sessions for capital improvements and for the retirements of outstanding mortgages for Camp property. It soon became clear that the

services of an attorney would be helpful to secure tax-exemption for a recently purchased parcel of Friends Camp land, allowing a savings of more than \$2,000 annually in property taxes. In a conversation about this prospective expense, I encouraged Nat Shed to proceed to engage an attorney, on the grounds that this was a cost of doing business and certainly in the interest of the YM overall, both financially and in clarifying the status of our properties. The final fees totalled \$4,971, more than initially expected. Friends Camp and NEYM leadership have different perspectives about whether this bill should be paid from Friends Camp funds or from the resources of NEYM more widely.

In part because aspects of the relationship between Friends Camp and NEYM and between the Secretary and Friends Camp Director remain unclear, I believe it would be helpful to all involved if Permanent Board could provide direction on how we should proceed to resolve and account for this expense.

3. For many years, NEYM has instructed monthly meetings to use the Employer Identification Number (EIN) assigned to New England Yearly Meeting by the IRS for their own tax and financial purposes, in part to ensure that local meetings' activities were recognized as tax-exempt.

As a result of several issues affecting NEYM's banking operations in the last two years, we sought guidance from the IRS and have been informed that these instructions are incorrect- each local meeting needs to apply for its own EIN. What is now required, we understand, is that each EIN is associated with a "Group Exemption" which is granted to NEYM as the denominational body. However, while there is evidence that the IRS has in the past recognized monthly and quarterly meetings as tax exempt because of their membership in NEYM, to our knowledge we have not been issued a formal Group Exemption number.

As Friends might imagine, this new awareness requires that timely action be taken to help bring NEYM and our meetings into alignment with the current IRS requirements. Following the guidance of the IRS agent with whom we consulted at length, we have already submitted to the IRS a letter requesting clarification of our Group Exemption status based on our previous documentation, and are awaiting a response.

In support of this work, I am requesting that Permanent Board authorize me to use necessary funds to retain the services of a CPA to advise us and resolve the matter as soon as possible, including clarifying how we should counsel monthly meetings in the future.

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Friends Camp / New England Yearly Meeting of Friends - Legal Fees

In order for the waterfront land and cottage property to gain tax-exempt status, I embarked on what became a month-long project that entailed the completion a 23 page application to the Town of China. After I received the application questionnaire from the town, I noticed that the application had several questions that were hard to understand. Some of the questions were confusing as to whether they would be answered from the perspective of Friends Camp or the perspective of the New England Yearly Meeting of Friends.

I called Noah Baker-Merrill regarding my concerns about the application. In the course of our conversation, he suggested that I contact a lawyer who could help us navigate this legal process. We needed to ensure that the waterfront cottage and the 1/3 of acre of waterfront property be included under the same tax-free status held by the rest of the properties belonging to the New England Yearly Meeting of Friends. Noah Baker-Merrill noted that the Yearly Meeting has an account set aside to cover legal fees for issues such as this. Based on his verbal reassurance, I contacted the law firm of Curtis Thaxer and signed a contract with them to engage Jack Erler to help ensure that our application to the Town of China would be successful. Our lawyer, Jack Erler represents and lobbies for youth camps in Maine. He also works with businesses and non-profits to solve complex legal problems like property taxation and land use matters, and he is a professional member of the American Camp Association.

Since I had been assured that NEYM's legal fund would cover such legal costs, I did not ask the Camp Committee or the Treasurer for permission to expend funds on this issue. It is very important for me to work with the rest of the Yearly Meeting with an understanding that the integrity of the spoken word can be trusted and that I am able to enter into a legal contract on the basis of these words. I feel very strongly that the NEYM Treasurer and/or the NEYM Finance Committee cannot reverse a commitment made to me and to the Camp Committee.

During February and March of this year I worked with Jack Erler on what turned out to be a very complex and time-consuming legal issue. Our application to the Town of China involved wording our incorporation in Maine, case law on the amount of non-mission income we are allowed take in, our status as Church and a Not-for-profit organization and pulling together a master report that blended the Yearly Meeting and Friends Camp budgets.

Early in May, we received notice from the Town of China that we were granted our tax exemption from local property tax. The invoice total for this legal work was \$4,971.05. It is my hope that the Yearly Meeting will reimburse Friends Camp for this expense.

Blessing,

Nat Shed, Director