
FINANCIAL HANDBOOK

New England Yearly Meeting of Friends

Approved by Permanent Board September 28, 2019

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1. Introduction

This Handbook is written to define the duties, responsibilities and processes of the Finance Committee and be a compendium of the Yearly Meetings current policies related to its finances.

Finance Committee advises the Yearly Meeting on financial policies. The Yearly Meeting approves financial policies, and the Finance Committee does its work on the basis of those policies. The Committee proposes how the Yearly Meeting will spend its money over the coming year and then to oversees how the approved plan is being carried out. It provides guidance to the Yearly Meeting on many other financial matters.

The establishment of a Finance Committee is called for in the Faith and Practice of New England Yearly Meeting. Its duties and responsibilities are further defined in its Policies and Procedures, which are approved by the Yearly Meeting. These Policies and Procedures are updated on a regular basis.

1.1. **Handbook Organization**

After these introductory remarks the Handbook begins by presenting the charter of the committee and how it goes about its work. That is followed by a survey of the organizational structure of New England Yearly Meeting and a description of its financial structure including the various funds which have been established over the years. Then the sources of income, followed by an overview of the normal expenditures is presented along with the associated policies, etc. That is followed by a look at the process by which the budget is established followed by a description of the oversight and review of all the accounts. At the end are Appendices with relevant documents or extended descriptions of items discussed in the main sections.

1.2. **References and Citations**

The work of the Finance Committee is largely guided by actions and policies adopted by NEYM Sessions, Permanent Board and the Finance Committee. Since the wording of such minutes is often the result of an extensive discernment process their text is included. The minute numbers are generally in the form two digit year followed by the minute number or YY-MM. The abbreviations used are:

Permanent Board (PB). The Permanent Board is a "committee" which can act for the Yearly Meeting when the Yearly Meeting is not in session. In many ways it is equivalent to a Board of Directors.

NEYM Sessions (Sess). Sessions is the annual gathering of New England Friends, usually in August.

Other documents such as the *Personnel Policy Manual* are referenced but their text is not generally included. Rather, where such documents can be found is included so the reader can reference the relevant text.

1.3. **Corporate Structure**

New England Yearly Meeting is incorporated in three states (Maine, Massachusetts and Rhode Island) as New England Yearly Meeting, Inc. This is a very unusual situation which has deep historical roots in part because of the splits and reunification of the Yearly Meeting and the fact that the Yearly Meeting predates modern corporate structures.

The corporation has two divisions, each with its own Treasurer and set of books: the Yearly Meeting aka the “Operating Branch” and its subsidiary Friends Camp, formerly known as “China Camp.”

New England Yearly Meeting also operates an investment fund for the Yearly Meeting, its constituent meetings and other Quaker based organizations in New England.

The signers of all bank accounts are re-authorized each year.

1.3.1. Treasurers

The Nominating Committee, with input and vetting by the Finance Committee, nominates the Treasurer of the Yearly Meeting, who is approved by Annual Sessions. The Treasurer of Friends Camp is appointed by the Friends Camp committee. While the Camp Treasurer is not appointed by Sessions, Sessions gives the Camp Treasurer the power to sign checks drawn on the Camp accounts. The Treasurer of the Board of Managers is selected from among its members.

1.3.2. Tax Exempt Status

NEYM is recognized by the IRS as a tax-exempt 501(c)(3) organization, and a “church or association of churches.” In the past, small meetings were free to use the Yearly Meeting’s tax exempt number when making purchases to avoid paying any sales tax. In 2017, the Finance Committee began the process of encouraging all meetings to get their own Employer Identification Number from the IRS due to changes in federal regulations. Local meetings are able to use their affiliation with NEYM to prove their federal tax-exempt status. On the state level, NEYM is registered as sales-tax exempt in Massachusetts, Maine, and Vermont, and can register as needed in the other New England states; these sales-tax exemptions are available for local meetings to use. Contact the YM office to answer any questions regarding tax exemption or about the process to obtain a meeting’s own numbers.

1.3.3. Bank Accounts

Both of the ‘operating divisions’ have a Treasurer and set of bank accounts. Because the two divisions run very different types of activities with very different annual rhythms the bank accounts are kept separate and we use two separate sets of books. Their annual reports are presented together in the Yearly Meeting’s annual reports. (The manner of joint presentation is currently being re-examined as part of the revised governance structure.)

1.3.4. Account Signers

Each year the Finance Committee presents to Sessions a Bank Resolutions Minute which formally names the names and offices of all individuals being designated as authorized signers for the various accounts of both operating divisions. The wording presented meets the requirements set forth by the banks holding the accounts. (To review the most recent Bank Resolutions Minute, please see the minutes of the most recent Yearly Meeting Sessions.)

The check signing authority was expanded to include any bank transfers:

PB 15-20 Bank transfers and other electronic transfers of funds must be authorized in writing by authorized check signers. Written documentation of authorization for transfers, including authorization by two check signers for transfers of over \$10,000, will be maintained to correspond with the policy for checks. Recurring transfers, such as payroll and health insurance, may continue once they are authorized until the end of the fiscal year.

Per the Bank Resolutions Minute approved at Sessions 2019, any checks in excess of \$10,000 from any bank account of New England Yearly Meeting of Friends must have the signature of two of the three authorized signers. The approved signers are the Yearly Meeting Secretary, the Yearly Meeting Treasurer, the Yearly Meeting Assistant Treasurer, and the Yearly Meeting Presiding Clerk.

See Appendix 9.3. Sessions Minute 2019-45: Bank Resolutions.

One of the functions of a signer is to verify that an expense is within the limits of the budget. To that end a signer should be familiar with the general spending patterns of the Yearly Meeting, and verify any unusual expense prior to signing a check.

In order to maintain ongoing oversight of the accounts of the Yearly Meeting, the primary individual responsible for writing the checks and entering them into the accounts shall not be an authorized signer of the checks. We recognize that in extreme circumstances a signer may also be writing a check. In such an event, all other check signers, as well as the Clerk of Finance Committee, must be notified as soon as possible.

Anyone responsible for bookkeeping (including the Accounts Manager) and anyone with the individual authority to allow budgetary overages (specifically the Clerk of the Finance Committee) cannot be an account signer.

1.3.5. Responsibilities of Board of Managers and Finance Committee

The Yearly Meeting established the Board of Managers of Investments and Permanent Funds and created a fund (The Pooled Funds) to pool the investments of the Yearly Meeting, local meetings, schools, and other Friends organizations in New England for the purpose of maintaining a source of continuing income and protection and growth of capital. The Board of Managers is responsible for the management and investment, consonant with Friends principles, of the funds entrusted to it. The Board uses the services of a professional investment advisor, and a sound bank as a custodian for protection and safekeeping of the assets.

The Clerk of the Finance Committee, the Yearly Meeting Treasurer, and the YM Secretary serve ex-officio on the Board of Managers.

The Permanent Board has designated that some of the Yearly Meeting's Working Capital be placed in a Quasi-Endowment Fund and invested in the Pooled Funds.

Withdrawals from Pooled Funds are done at the direction of the Treasurer, and must be approved by the Permanent Board.

1.4. Policies and Procedures of the Finance Committee

The main policies and procedures of the Finance Committee are explained in the committee's Policies and Procedures document, located on the NEYM website.

1.5. Finance Committee Calendar

There are recurring features of the committee's work which need to happen in a timely fashion. The following page outlines the normal shape the committee's year.

■ August

The Finance Committee present the draft budget to Sessions. There is normally an initial reading and then a second reading later in the week. The Finance Committee holds budget comment sessions with opportunities for questions prior to the second reading (and presumed approval).

The updated version of the Standard Minute is approved by the Yearly Meeting.

The Committee meets during the week of Sessions to welcome new members and start planning activities for the year.

■ September/October

The first meeting of the committee post Sessions is normally in September or October. The committee reviews its activities for the year and considers policy and Handbook changes while the annual budget is not the focus of work.

■ November

Permanent Board approves funding priorities.

■ January

The Clerk contacts committee clerks asking them for budgets for next fiscal year.

The Finance Committee receive guidance from Permanent Board on budget priorities for the upcoming fiscal year.

A Budget Subcommittee is appointed and initial meetings are planned.

The Finance Committee receive Personnel Committee recommendations for staff compensation.

■ April

The budget subcommittee presents their draft budget for review.

Finance Committee Clerk informs committees whose budget requests are unlikely to be funded.

The Finance Committee Clerk composes a budget commentary for the May Permanent Board meeting.

■ May

The approved draft budget and budget commentary is presented to Permanent Board for their feedback.

■ June

Finance Committee annual report, the final version of the budget, and the final budget commentary are submitted to the NEYM office for inclusion in the Advance Documents for Sessions.

2. Assets

The Yearly Meeting owns a variety of assets: land, buildings, stocks, bonds, bank accounts, etc. This section presents the various classes of assets and the policies for handling them. It also describes each of the funds within a class and the specific purposes and conditions for that fund.

As the programs, resources, and requirements of the Yearly Meeting continue to evolve our accounting and reporting practices also change to more clearly present the finances of the Yearly Meeting. The presentation of accounts and funds is based on the financial reports that appear in the 2018 Minute Book.

The term “accounts” in the discussion below has two separate and distinct definitions. The Yearly Meeting has “accounts” with banks, brokerages, etc., and there are “accounts,” or line items, in the Yearly Meeting’s books. The difference will normally be clear from the context. Handbook headings with a four-digit number included are referring to a specific line item account in the books.

2.1. *Fund Management*

The Yearly Meeting has four basic types of funds: Unrestricted Funds, Board Restricted or Designated Funds, and two forms of Donor Restricted Funds. Within each type of fund there are multiple funds or accounts. Each of those types has different requirements for their proper handling.

2.1.1. *Restricted Gifts*

Acceptance of donor restricted funds is a legal obligation taken on by the Yearly Meeting. Accounting practices which separately identify and track funds with differing restrictions must be maintained. Permission to alter the restrictions and thus the use of any of these funds must be obtained through the courts. (Note that a law adopted by Massachusetts in 2009, the Uniform Prudent Management of Invested Funds Act, or UPMIFA, includes a provision that certain (small, less than 25,000, and held for more than 20 years) permanently restricted funds can be repurposed by giving notice to the state attorney general.)

The legal restrictions do not just apply to the Permanent Funds but also to any form of restricted gift or grant, even if the restriction is temporary.

The acceptance of any gift that would result in the establishment of a new fund, because of new or unique set of restrictions, requires the approval of the Permanent Board and may be subject to other requirements. Adding funds to an existing restricted account may be done at any time.

2.2. *“Operating Branch” Accounts*

The Yearly Meeting maintains a number of bank accounts. These constitute the Operating Reserves, disburseable amounts of the Permanent Funds, special projects funds, grants and other designated funds. The bank accounts may include the general checking account, certificates of deposit and an investment in a money market account.

2.3. Operating Funds

The basic operating funds of the yearly meeting come from unrestricted contributions, retreat fees, sales of books and other items, etc. The annual budget, which is approved by Sessions, governs the expenditure of these funds.

2.3.1. Operating Reserves

At the end of the fiscal year any surplus in the Operating Funds accounts is added into our Operating Reserves. If there is a deficit, then fund are removed from the Operating Funds accounts. The operating reserves are held in two account lines in the balance sheet, Working Capital and Quasi-Endowment

It is the Finance Committee's policy to have an operating reserve equal to one quarter of the annual budget (3 months) at the beginning of each fiscal year. Reserves are needed by the Yearly Meeting for two purposes. The first is to cover regular expenses at the beginning and other points during the year when our expenses exceed income. This regularly occurs at some point in the October – December period between the beginning of the fiscal year and the calendar year end donation burst.

2.3.1.1. 3500 Working Capital

The amount of our unrestricted and undesignated funds that is liquid. This includes amounts in the Yearly Meeting's checking account plus any certificates of deposit or money market accounts.

2.3.1.2. 3650 Quasi Endowment Fund

The Quasi-Endowment Fund is a fund created by the Yearly Meeting to hold unrestricted gifts and other surplus monies for investment in a manner similar to an endowment fund, i.e. this is a Board designated fund. The Fund was established as a mechanism to invest NEYM's excess reserves and thus be more supportive of the programs. The money is invested in the Pooled Funds. The Quasi-Endowment Fund was previously known as the Investment Fund.

The major distinguishing factor between a quasi-endowment fund and an endowment fund is that the Yearly Meeting may spend the principal of a quasi-endowment fund if it wishes.

2.4. Board-Designated Funds

Board-Designated Funds are unrestricted funds whose use has been designated by Sessions or Permanent Board for designated purposes. Since there are no restrictions placed by the donors on this money the Yearly Meeting could change the designation or return them to general funds at any time.

2.4.1. 3620 Faith & Practice Printing Fund

The purpose of this account is to fund the printing of the New England Faith and Practice. In the past the book has been printed in fairly large quantities and then sold over a period of years. The proceeds from those sales are returned to the fund to finance the next printing. (The last printing of the 1985 F&P occurred in 2007.) The changes in technology may mean

smaller runs will be cost effective. This will be explored when the revised Faith and Practice is approved for publication.

2.4.2. Legacy Funds (from sale of the Friends Home)

New England Yearly Meeting approved the establishment of two designated funds from the proceeds from the sale of New England Friends Home at Sessions 2014 (**Sessions 2014-62**). At Sessions 2015 (**Sessions 2015-27**), Friends approved a vision statement and the purpose and names (2.4.2. and 2.4.2.1. specifically) for the two designated funds.

2.4.2.1. 3682 Witness and Ministry Fund

The Witness and Ministry Fund was set up with \$750,000 from the Legacy Fund. Annual income is awarded annually to projects to support released ministry. In 2024, the Yearly Meeting intends to revisit this designation to see if there is a more vital alternative need for the income. Change in this designation will require approval at Annual Sessions (per **Sessions 2014-62**).

2.4.2.2. 3681 NEYM Future Fund

The NEYM Future Fund was set up with the remainder of the Legacy Fund, approximately \$350,000. Grants from the NEYM Future Fund will be awarded in two cycles per year (NEYM fiscal year), beginning in Fall 2015, for 3 years, or until all the funds are awarded, based on the applications received.

2.5. Revolving Accounts

The Revolving Accounts are accounts which carry their balance over from year to year. The funding for these accounts come from a variety of sources. Some are funded by the annual budget and others receive money from earmarked donations. The position in brackets has approval authority for expenditures from this account.

Any new contributory funds should have clearly designated supervision and should include a provision for transfer of its assets to another fund if its activity or balance has declined below a minimum level. There should also be provision that the fund's purposes may be expanded when experience shows that that is desirable. Such termination or expansion should be approved by Yearly Meeting on the recommendation of the fund's supervisor. The committee supervising the fund will identify which member of the committee authorizes expenditures and which member is responsible for thank-you letters.

2.5.1. 3705 Archives

[Archives & Historical Records Comm. Clerk] Used for Archives Committee special projects. Established in 1976.

2.5.2. 3712 FUM Intervisitation

[Finance Committee Clerk] As a result of actions at Sessions, a fund has been established to accept donations to cover the costs of intervisitation by New England Friends with Friends from other yearly meetings in FUM. Finance committee will follow its minuted procedures in providing oversight for this fund.

2.5.3. 3714 FUM Earmarked Donations

[NEYM Treasurer] Created to hold donations restricted to FUM for their use to make up for withholdings pursuant to **Sessions minute 2009-54** about withholding from FUM.

The withholding policy was updated at Sessions 2019. See Appendix 9.1. 2019 Minutes Regarding FUM Withholding Mechanism

2.5.4. 3715 Released Peacemaker

[Legacy Gift Committee Clerk] Contributory account that supported the work of a specific member who had been released by the Yearly Meeting to follow his/her leading concerning the Quaker peace testimony. In November 2018, Permanent Board approved making the remaining amount of this fund available to the Legacy Gift Committee for dispersal with a future grant to a Friend who is a “peacemaker.” Following the dispersal of the remaining amount this fund will be closed.

2.5.5. 3720 Prejudice & Poverty

[Racial, Social and Economic Justice Comm. Clerk] The fund was begun in 1970 (Sessions Minute 70-60), and known at first as the Minute 60 Fund. In 1975 the standing Prejudice and Poverty Committee was created (Sessions Minute 75-22) and this fund was renamed. Oversight of the fund was transferred to RSEJ when the Prejudice and Poverty Committee was laid down. Its purpose is to provide grants to organizations seeking to solve the problems of prejudice and poverty and supporting victims of prejudice and poverty.

2.5.6. 3725 Puente de Amigos

[Puente de Amigos Comm. Clerk] Contributory fund for the support of intervisitation between NEYM and Cuba Yearly Meeting. Created by **Permanent Board Minute #10 of 12/14/91**.

2.5.7. 3730 Sufferings

[Permanent Board Clerk] The Fund for Sufferings exists to support New England Yearly Meeting (NEYM) as it provides financially for the needs of Friends who suffer as a result of their witness to Truth. The Fund for Sufferings is available to support Friends who suffer as a result of their faithful witness, and is intended to respond to urgent needs precipitated by witness.

A revolving account in the NEYM Operating Division books called “Sufferings-Unrestricted” was created, and the existing revolving account was renamed “Sufferings-Restricted.” The same policies and procedures for distribution apply to both, with the exception that restricted funds may be used only for this purpose, while designated funds may be repurposed by decision of the Permanent Board.

Having two accounts allows NEYM to solicit, manage and disburse both board-designated funds (such as allocations from the Legacy Funds) and donor-restricted funds (such as those currently in the original Sufferings Fund) without creating the possibility for confusion of the status of funds in each account.

The balance at the time the revolving account was split into the current restricted and unrestricted components (\$4,939.32 in 11/7/2017) is understood to be donor-restricted. In 2018 The Legacy Gift Committee made an additional \$25,000 available to the Unrestricted portion of the Sufferings Fund.

2.5.8. 3760 Young Friends Travel

[Young Friends Coordinator] Used to enable Young Friends to attend conferences and participate in service projects.

2.5.9. 3775 Continuing Projects

[YM Secretary] This fund is comprised of various sub-funds to manage grant funded projects and projects which extend over multiple fiscal years.

2.5.10. 3780 FCNL Pass Through

[NEYM Treasurer] This fund was established to enable members to make tax exempt contributions to the FCNL lobbying efforts. Changes in IRS regulations now limit how this can be used, but it is possible to send relatively small contributions through this mechanism.

2.5.11. 3755 Student Loan

[Clerk of Student Grant Committee] The remaining funds from the student loan program are now distributed as grants.

2.6. Permanently Restricted Donor Funds

Donor restricted funds were accepted by the Yearly Meeting for a specific purpose defined by the donor. In accepting such gifts the Yearly Meeting legally agrees to spend the money as specified by the donor. One type of donor restricted gift allows the Yearly Meeting to spend the entire amount for the designated purpose. The second type, or Permanent Funds, specifies that only the income realized by the gift may be used for that purpose. This implies that the Yearly Meeting will invest the money in such a way as to generate income.

Over time the Yearly Meeting has accepted responsibility for bequests with restrictions. They are listed in the Minute Book. There were formerly many more such funds, but in recent years many of them have been consolidated, have been placed in the general Endowment Fund, or — like some of the Moses Brown-related Funds, and the USFW fund — transferred to other groups to administer.

2.6.1. 3802 Endowment Fund

This fund has the general endowment of the Yearly Meeting. The money in it comes from bequests which specify that their principal may not be spent, but there are no further restrictions. The income from these funds is not restricted to any specific purpose.

These funds were set up by the Permanent Board at its May 11, 1995 meeting, consolidating a number of separate bequest funds. The details are spelled out in a two-page attachment to the minutes of that meeting. They are similar in their structures, differing primarily in where the principal in the funds came from.

2.6.2. 3812 FUM—Foreign Missions

[NEYM Treasurer] Quarterly interest payments from the principal invested with the NEYM pooled funds are credited to this account, then a check for the balance is sent to Friends United Meeting in August, earmarked “for FUM foreign mission work.”

2.6.3. 3814 FUM—Home & Foreign

[NEYM Treasurer] Quarterly interest payments from the principal invested with the NEYM pooled funds are credited to this account, then a check for the balance is sent to Friends United Meeting in August, earmarked “for FUM home and foreign mission work.”

2.6.4. 3816 FUM—Ramallah

[NEYM Treasurer] This is the amalgamation of many separate funds (see **PB97-15**). Quarterly interest payments from the principal invested with the NEYM pooled funds are credited to this account, then a check for the balance is sent to Friends United Meeting in August, earmarked “for FUM work in Ramallah.”

2.6.5. 3808 Anna M. Brown

[NEYM Treasurer] The income from the fund is to provide scholarships for deserving sons and daughters of farmers. Preference is given to residents of Rhode Island and/or to students desiring to attend Moses Brown or Lincoln School. (See PB Minutes of 8/3/74).

Bequest: 6th clause of will of Anna M. Brown:

“To the Yearly Meeting of Friends for New England, a corporation, the sum of Five Thousand Dollars to create the Anna M. Brown Fund, the income only therefrom to be used to assist deserving sons and daughters of farmers in acquiring an education, preference being given to residents of Rhode Island, and to students desiring to attend Moses Brown School or Lincoln School.”

from receipt dated December 10, 1954

2.6.6. 3810 Freedmans' Fund

[Racial, Social and Economic Justice Comm. Clerk] This fund is the amalgamation of a number of funds established over the years (see **PB97-15**). It is used to support scholarships for black students *preparing for a career in education*.

2.6.7. 3806 Amy S. Hayden

[NEYM Treasurer] Each August 1/4 of the accumulated income is sent to Providence Monthly Meeting, 1/4 to the United Society of Friends Women, and 1/2 to the Friends United Meeting Board of Missions. (See 1967 & 1969 Minute Books.)

2.6.8. 3830 Susan B. Kirby

[Sandwich Quarterly Meeting Ministry & Counsel Comm. Clerk] The income from this fund is to be used “for evangelistic work in Sandwich Quarter.” The Treasurer only makes disbursements from the accumulated interest when directed to do so.

2.6.9. 3824 Mosher Book & Tract

[Permanent Board Clerk] The income from this Fund is used to distribute books and tracts promoting the principles of Quaker faith and practice. The fund was established through a gift from Henry Mosher. A similar fund by the same name is held by New York Yearly Meeting.

2.6.10. 3804 Alice Needham

[NEYM Treasurer] Interest to be used “for the use of a school for children of Friends within that district [Salem].” The bequest was originally made to Lynn MM. Permanent Board minuted (2/27/93, **minute 8**) that each August the accumulated income is sent to Cambridge Friends School and The Meeting School in annual succession “to be used as scholarship aid for Friends’ children.” This assignment could be changed by Permanent Board action. The Portland Friends School has been added as a recipient and with its closing the Meeting School has been removed.

2.6.11. 3826 Phillips/Purington/Hawkes

[NEYM Treasurer] Another bequest originally made to Lynn MM. In the same Minute (**PB Minute 8 of 2/27/93**), Permanent Board specified that each August the accumulated income is divided between North Shore Monthly Meeting and Amesbury Monthly Meeting. This would change if a new meeting were established in the Lynn-Salem area.

2.6.12. 3830 Pittsfield/Varney

[Ministry & Counsel Comm. Clerk] Income to be used for “Evangelistic or church extension work.”

2.6.13. 3832 West Falmouth Prep. Mtg.

[NEYM Treasurer] Income to be used as annual contribution to NEYM from Falmouth Preparative Meeting.

2.7. Land and Other Assets

These items are primarily included to present a more complete view of the assets of the Yearly Meeting. It would be difficult or impossible to convert them into a significant source of income for the Yearly Meeting because of their nature, current uses, and the terms of the original deeds of gift.

2.7.1. Moses Brown School Land

The Yearly Meeting has retained title to the land given to the Yearly Meeting by Moses Brown for the purposes of providing a Quaker Education. Title to the buildings has been transferred to the Moses Brown School Corporation. The land has been transferred to the Corporation on a long term lease for a nominal rent. The terms of the original gift mandate that the property be used for purposes of Quaker education.

2.7.2. Lincoln School

The Yearly Meeting owns the land occupied by the Lincoln School in Providence. As is the case with Moses Brown, the land is under a long term lease to the School for a nominal rent.

2.7.3. Friends Camp

The Yearly Meeting owns the land of Friends Camp. The Camp Committee cannot buy or sell any of the property, or take out a mortgage, without the approval of the Yearly Meeting.

2.7.4. Land Belonging to a Monthly Meeting

Land, buildings, and other assets of monthly and quarterly meetings belong to those meetings. If a meeting is laid down without first disposing of their property, then the ownership of that property devolves to the Yearly Meeting.

2.8. Associated Funds that are NOT NEYM Funds:

These are funds which were established for the benefit of Friends, and frequently used by the Yearly Meeting and its members, but are independent of the Yearly Meeting.

2.8.1. Obadiah Brown Benevolent Fund (OBBF)

This fund is completely independent of New England Yearly Meeting. Nevertheless, individuals and committees wishing to apply to the Fund in support of Yearly Meeting activities should be aware of NEYM's policies governing such applications, which appear in section 3.7. of this handbook.

Grants are made only for Quaker purposes and only to Quaker groups or individuals. In a description approved by the OBBF Trustees on 10/20/95, they stated that: Obadiah Brown's Benevolent Fund is primarily focused on New England Friends and Friends organizations.

Grants shall be for a Quaker purpose. OBBF favors discrete projects. "I recommend to [the Trustees] specially the printing and disseminating useful books for the promulgation of the gospel and by that means, as well as otherwise, spreading our Religious Principles where they are little known. (OBBF)

Grants are made to individuals of our religious faith who are in need and who shall be or have been engaged in gospel or philanthropic work.(Sarah Swift)

Grants to Friends' organizations are typically for programs with the tendency to produce increasing benefits to the Religious Society of Friends. Grants to organizations are not for regular expenses usually included in operating budgets. OBBF does not contribute to educational organizations for general operating funds, though in particular circumstances it may support Friends attending Friends' institutions.

3. Income

New England Yearly Meeting derives its income from three basic sources: contributions, fees for services and products sold. The fees are for retreats, Sessions, Sessions bookstore, etc. Contributions come from meetings, individuals, and occasionally, large bequests or gifts. The products are primarily those sold through the bookstore at Sessions.

The Development Committee has the responsibility of raising funds from both monthly meetings and individuals.

3.1. Contributions

Contributions are divided into two broad categories, according to the intention of the donor: *Unrestricted*, which may be spent for any purpose, and *restricted* (earmarked), which may only be spent for a purpose specified by the donor. A gift accepted with restrictions must be handled in a way which accurately tracks the way in which the money was used.

Regarding terminology, donors may *restrict* funds but not *designate* funds. The Yearly Meeting (as Permanent Board or as Annual Sessions) can *designate* how unrestricted money is to be spent.

All contributions of any size from monthly meetings will be allocated to the current operating budget unless other instructions are received by the Treasurer.

3.2. Restricted (Earmarked) Contributions

The Yearly Meeting has established two types of accounts which may accept restricted contributions: endowment funds and revolving accounts.

In accepting earmarked contributions, we are agreeing to spend that money in accordance with the donor's wishes, however at the same time, the Yearly Meeting does not wish to have donations determine its priorities.

An endowment is a fund in which the principal is invested and the income either accrues or is used for the purpose for which the endowment is created. Income from an unrestricted endowment finances the Yearly Meeting's general operating expenses. Income from a restricted endowment finances the specific purpose for which it is created.

The Yearly Meeting welcomes additional contributions to an existing endowment fund or contributions to set up a new endowment fund donated for specific or general purposes. Endowment funds will be accepted, managed and operated according to the following criteria:

- The Treasurer is authorized to accept gifts for existing endowments, and to create new unrestricted endowments. The Permanent Board or the Yearly Meeting in Sessions must approve the terms of any proposed restricted endowment fund and authorize the Treasurer to accept the gift.
- The minimum contribution to create a new endowment fund is \$25,000.

- The Permanent Board or the Yearly Meeting in Sessions must authorize the acceptance of any donations of real or tangible property to the Yearly Meeting or to any of its endowment funds, new or existing.
- Living contributors of endowment funds shall agree to incorporate the following provision in their deed of gift. Possible language: “Should the purposes of this restricted endowment fund no longer be appropriate to the activities of the Yearly Meeting, the Permanent Board may recommend to the Yearly Meeting at Sessions to change the purpose of that endowment fund probably adding it to the unrestricted endowment fund.” We recommend the following process: A proposed change shall be presented for the purpose of discernment at a regularly held meeting of the Permanent Board or the Yearly Meeting in Sessions. No decision on the matter shall be minuted until at least the next regularly held meeting of the Permanent Board or Yearly Meeting at Sessions.
- Investment decisions shall be made by the committee authorized to do so by the Yearly Meeting in Sessions. Currently this committee is the Board of Managers of Investment and Permanent Funds.
- In the financial statement a fund’s title should reflect its purpose. Yearly Meeting has a strong preference for funds named for the purpose for which they were created. This need not be the same as its legal title as long as there is an obvious connection between the two.
- In the event the Yearly Meeting is laid down, the funds shall be given to some other Quaker organization in accord with governing law and/or the ruling of competent jurisdiction.
- These endowment fund policies can be amended only after the following process: A proposal shall be presented for the purpose of discernment at a regularly held meeting of the Permanent Board or the Yearly Meeting in Sessions. No final decision on the matter shall be recorded until at least the next regularly held meeting of the Permanent Board or the Yearly Meeting in Sessions.

The Yearly Meeting may accept “designated” contributions for purposes authorized in the budget. Contributions designated for line items in the budget will not result in an increase in the amount spent on that line item, and donors should be so informed. If the donation is in support of an emerging need, the normal process should be followed to increase the budgeted amount in order to accommodate all or part of the donation. Contributions for expenditures not envisaged in the budget can only be accepted with the approval of the Permanent Board. Endowment funds for restricted purposes will only be accepted with the approval of PB. In general, care should be taken not to commit the YM to ongoing responsibilities for restricted gifts. The Revolving Funds are not part of the budget, therefore this policy does not apply to contributions to them.

3.3. *Monthly Meeting Restrictions re. FUM Personnel Policy*

This is a special case of restricted donations established by Sessions in response to the concerns raised by a number of Friends.

From Minute **Sessions 09-54**:

If a monthly meeting minutes the intention of some of its members to exclude FUM from their contribution to NEYM, the MM treasurer will notify the NEYM treasurer

of that decision, including a copy of the MM minute with the communication. The monthly meeting will then decrease their intended contribution by the appropriate amount, and the NEYM treasurer will decrease our contribution to FUM by that same amount. The MM treasurer is responsible for calculating the percentage of their budget that goes to NEYM.

A fund will be established to which individuals can donate to add to the Yearly Meeting's contribution to FUM. Individuals may donate to this fund if they wish to help ensure that the full budgeted amount goes to FUM.

The NEYM treasurer will exercise care in communicating with FUM about the potential variability in NEYM's contribution to FUM.

Please see the entire minute in Appendix 9.1.

At Sessions 2019, the Yearly Meeting approved ending this withholding option as of October 1, 2020. The minutes regarding this change are in Appendix 9.1. 2019 Minutes Regarding FUM Withholding Mechanism.

3.4. *Fundraising by Other Committees*

The work of the committees of the Yearly Meeting is funded through the regular budget process and not through special appeals by the individual committees. No general appeals by any committee of the Yearly Meeting, or by organizations of which we are a constituent part, should be made directly to the members of the Yearly Meeting without prior approval of the Finance Committee.

The one active committee that currently has approval for independent fundraising is Puente de Amigos. They regularly raise funds to support Cuba YM and related projects.

3.5. *Handling of Contributions of Stock*

Individuals wishing to make a gift of securities to the Yearly Meeting do so through our broker. They should do this by contacting the YM office, which will facilitate the transaction. The policy of the YM will be to sell such securities, treating the proceeds like any other cash contribution.

3.6. *"Pass-through" Contributions*

3.6.1. *Transmittal to Other Tax-exempt Groups*

The YM accepts and facilitates contributions on behalf of other constituent bodies. In the absence of such a relationship, the action would need to be approved by PB.

3.6.2. *Transmittal to Individuals*

People wanting to give money or objects (cars, for instance) to needy individuals have wanted to do so (for tax purposes) by making the gift to the Yearly Meeting or to a Monthly Meeting, then have that group pass the contribution on to the individual. This is only appropriate where there is a pre-existing program - refugee support, a released Friend - of the Yearly Meeting or Monthly Meeting, with suitable minutes and, preferably, some sort of

oversight structure for the program. Even then, any substantial contribution that ends up in the hands of an individual under such an arrangement must be reported as income to the recipient on a Form 1099.

3.7. Applying for Grants

(From Minute **PB 15-61**)

The Permanent Board has set a policy for grant applications, which is summarized here. This does not apply to Legacy Gift grant applications but does apply to the Obadiah Brown Fund and funds not administered by the Yearly Meeting.

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.

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.

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.

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.

4. Expenditures

The expenditures of the Yearly Meeting, for the most part, are paid for from the general accounts and, governed by the budget approved by Sessions. The budgets sets upper limits on the amounts which can be spent. Deviations from these limits do occur and the process is laid out below.

In addition, occasionally there will be extraordinary expenses which fall outside the regular budget, such as the purchase of real estate. Approval of such items must come from Yearly Meeting Sessions or Permanent Board and the sources of funding will be identified at that time.

Funds from grants, and other special funds of the yearly meeting will be spent according to the terms and conditions of the grant or funds. These expenditures are generally not included as part of the regularly approved budget.

4.1. **Budget Overruns**

PB 15-60 Budget Overrun Policy

For the Finance Committee, Shearman Taber presented a policy change regarding Budget Line item overruns. ... The new policy is intended to avoid bringing small overruns to PB at the same time ensuring that PB will hear about any substantive changes.

Friends **approved** the following, which will replace all previous overrun policies:

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

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.

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.

Overruns in excess of that must be approved by Permanent Board. Such a minute shall be included with the approval documentation.

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.

In support of the above the Finance Committee has adopted the following definition of budget line items.

2015-19/Finance Committee Policy Defining Line Items

In anticipation of Permanent Board's approval of the proposed policy on budget overages, Friends **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)

4.2. Committee Budgets

New England Yearly Meeting committee budget allocations are to pay for expenses that relate directly to the ministry of the committee. Committees may not exceed the expenses authorized for them in the budget. Committee budgets are subject to the same rules on overruns as other lines (see above). The Committee Budget Disbursement Form (for committee clerks to authorize budgetary spending) may be found NEYM Website in the Resources for NEYM Committees section..

4.3. Travel Reimbursement Fund

The intention of this fund is to enable those who might not feel free to serve the Yearly Meeting because of personal financial constraints to do so without guilt or burden. Friends who serve on a Yearly Meeting committee or are appointed by the Yearly Meeting as a representative to other Friends organizations or gatherings are eligible for travel reimbursement. The current IRS standard mileage reimbursement rate and the Travel Reimbursement Request form may be found on the NEYM Website in the Resources for NEYM Committees section.

4.4. Real Estate

No purchases or sales of real estate are allowed without the approval of the Permanent Board.

5. Budget Process

5.1. Funding Priority Process

PB Minute 18-26: Funding Priority Process, as Presented to Permanent Board by the *ad hoc* Long-Term Financial Planning Committee (LTFPC)

The LTFPC presented proposed additions to the Yearly Meeting's budgeting process (see attached report).

In the current budgeting process, Finance Committee drafts a budget starting in January/February; brings the budget to the PB for comment in May; edits the budget; then brings the budget to Annual Sessions for approval in August (see attached illustration). There is currently no formalized way to incorporate into the annual budget process the wide-ranging discernment ongoing in the broader YM.

In the newly proposed funding priority process, the YM Secretary is asked to prayerfully integrate a wide range of ongoing consultation and discernment (including but not necessarily limited to informal consultation, listening sessions at Living Faith and/or other events, monthly meeting input, online surveys, committee and staff proposals, and discernment during the preceding Sessions) into a formal set of annual funding priorities. This annual workflow would be shepherded by Coordinating & Advisory Committee, and the resultant proposed funding priorities would be brought to the November meeting of the Permanent Board.

At that November meeting, PB would then further discern those proposed priorities. Based on that discernment, PB would give direction regarding financial priorities for the coming fiscal year's budget to Finance Committee. This sort of direction could include, for example, a need to save for a planned capital expense over multiple years; budgeting to make possible a new initiative in ministry; or any other clear discernment around financial priorities. The Finance Committee would receive this direction in advance of their January/February meeting, when the YM Secretary would present the first draft of the budget. In this way, Finance Committee could better incorporate the priorities and discernment of the wider YM into its ongoing budgeting process.

The Board approved this new process.

5.2. Budget Process

The proposed budget is brought to the Budget Subcommittee of the Finance Committee by the Yearly Meeting Secretary for review and changes. The Budget Subcommittee then submits a budget proposal to the whole Finance Committee in March or April. In early May, the Finance Committee forwards its proposed budget to the Permanent Board for their advice and suggestions. After this, the Finance Committee approves a proposed budget for presentation to Sessions, which the Treasurer then submits for publication in the Sessions Advance Documents.

In addition to the standard summary and detailed budget formats we use at Sessions and in our other work throughout the year, we work to present the budgets and statements in

programmatic formats, or use other illustrations to help increase understanding and engagement by Friends.

To better integrate the Committee budget process into the Priority and Budget processes, the committee hopes to follow this process going forward:

Distinguish funds needed to support the internal (governance, administrative) work of a committee from programmatic funds (consistent with the approach taken to the Development Committee budget in the FY19 budget); essentially distinguishing funds for ministry from funds for governance.

Solicit proposals from committees for events, programs, publications or services as part of the priorities process, integrating staff and other related costs, so that Permanent Board can consider and approve an integrated set of priorities for the coming year. To make this even more helpful, solicit these proposals (or at least provide initial request and template) prior to Sessions each year, so that there can be consultation and advance planning as needed to develop more accurate and informed proposals.

This will help NEYM continue to reorient our perspective from seeing committee programs as distinct and independent to seeing them as integrated efforts involving planning around shared resources, making faithful and effective use of both volunteer and staff time as well as other capabilities (e.g., website, database, newsletter, event registration), and assisting with coordination and collaboration among various groups doing related work. It would also make it possible for Permanent Board to include committee work, proposals and funding in its discernment and approval of funding priorities for the coming year.

5.3. Committee Budgets

The clerk of each committee is asked to present a budget request for the coming year, providing reasonable detail to justify the amount asked for. The Finance Committee reviews the request, and unless the Yearly Meeting's resources are significantly overstretched or there are other extenuating circumstances, will honor the request. When budget requests are not going to be fully funded in the proposed budget, the Finance Committee Clerk reports that back promptly to the affected body prior to the publication of the proposed budget in the Advanced Documents.

5.3.1. Limits

Each committee clerk presents a request for the coming year, providing reasonable detail to justify the amount asked for. Committees may spend their budgets and the Accounts Manager will issue payments as requested. The Accounts Manager should inform the Treasurer or YM Secretary if any are troubling.

In order to better understand the true cost of doing Yearly Meeting business, we recommend that all individuals request reimbursement for their out-of-pocket expenses, and increase their individual donation to NEYM in the event they feel that they want to donate their phone, travel, mailing, etc. expenses.

New England Yearly Meeting committee budget allocations are to pay for expenses that relate directly to the ministry of the committee. Committees may not exceed the expenses

authorized for them in the budget. Committees should not contribute budgetary money to other organizations or pay for travel expenses to committee meetings.

5.3.2. NEYM Committee Members' Travel

See section 4.3. Travel Reimbursement Fund.

5.4. Personnel costs

The staff salaries and other personnel costs comprise the largest expense of the Yearly Meeting. The staff salary levels are set by the Yearly Meeting Secretary in consultation with the Personnel Committee and the Permanent Board, and according to the Personnel policies of NEYM.

5.5. Insurance

The Yearly Meeting maintains insurance policies to provide coverage in several areas. The Yearly Meeting Secretary, in consultation as appropriate, determines the coverage needed and the companies which can best provide the policies. In some cases these policies will include constituent bodies and groups (local meetings, Friends Camp, etc.) under the auspices of the Yearly Meeting.

The Yearly Meeting maintains insurance to cover:

- Staff Disability Insurance

- Staff Health Insurance

- Liability

- Excess Liability

- Workers Compensation

The Yearly Meeting does not carry unemployment insurance since it is not a state mandated requirement due to our status as a church, and NEYM has not opted to carry such insurance.

The policies specifically covering the staff are included under the staff expense line and the other policies are included in the General and Administration line.

5.6. Reserves

Reserves include the sum of working capital and the quasi-endowment fund. (Fund numbers 3500 and 3650)

Reserves do not include:

- Revolving fund balances (fund numbers 3700 series)

- The "Legacy" Funds (fund numbers 3681 and 3682)

- Endowment funds (fund numbers 3800 series)

It is the Finance Committee's goal to begin each fiscal year with working capital on hand equal to one quarter of the year's expected expenses. This figure is the operating reserve. Any amount over this is considered excess reserves, often referred to as the spendable (excess) reserves. The Finance Committee feels that it is not an appropriate use of resources

to have large excess reserves, and our goal has been to invest such reserves in the Pooled funds when they occur.

5.7. Grants

We do not merge grant income and expenses into the operating budget. We present a full accounting of income and expenditures from grants (and current remaining balances) in the annual financial reports.

6. Reviews and Audits

6.1. Internal Reviews

Sessions Minute 99-39.4 The Finance Committee is authorized to appoint reviewers for any New England Yearly Meeting account as need arises.

An internal review should take place once a year. While an internal review of the Yearly Meeting books can be done by a single individual, the process may be enhanced if the Committee appoints a team of two, with an experienced reviewer being paired with someone new to the practice. A report on the review should be made to the following Finance Committee meeting and then reported to the Permanent Board.

6.2. External Reviews

Experience within and without Quakerism proves that if accounts are to be kept in good order they need to be reviewed regularly by an outsider. The Finance Committee is authorized to request that the Yearly Meeting Secretary hire an external reviewer for any New England Yearly Meeting account as need arises.

6.3. Reviews of Monthly Meeting Accounts

Friends who are asked to review the books of a monthly meeting may find it useful to read one of the pamphlets on this subject available from the FGC bookstore (*Friendly Audits* by Elizabeth Muench, 1990) or from the website of the Philadelphia Yearly Meeting (*Treasurers Guide* by Rosalie Bond, 2008).

7. Miscellaneous Policies

7.1. Records Retention

If we are assiduous in sending copies of our minutes to the NEYM office and keeping the Handbook current with references to policy changes, the Finance Committee need only to keep most items for a couple of years. We do however need to make sure that Finance Committee minutes contain the relevant background information and specifics and that appropriate reports are actually attached to both our copies and the Office copies. On the other hand, some topics such as the Camp, Personnel, Funds, Reviews, etc. need folders that go back further, perhaps to the ten year mark. At the end of such a period the contents of these folders should be sent to the Archivist for possible retention in the YM archives.

The Clerk of Finance Committee, with the support of the Yearly Meeting office, will maintain the records of the committee. These include current policies, committee minutes, and job descriptions for finance-related non-staff positions (Treasurer, Assistant Treasurer, and Finance Committee Clerk). Policies should be updated in this Financial Handbook as necessary. Committee minutes should also be put on the Committee's section of the Yearly Meeting website.

The YM Secretary and Office Manager are working on a general records retention policy at the moment (late 2018).

8. Friends Camp

8.1. Assets

The Yearly Meeting owns buildings and land occupied by the Friends Camp in South China, ME. The property consists of a number of parcels, several of which were purchased with unrestricted funds in the past few years.

8.2. Review of Books

There are separate procedures for the review of Friends Camp books. Please refer to the *Good Governance Document of Friends Camp*.

9. Appendices

9.1. 2019 Minutes Regarding FUM Withholding Mechanism

2019-44 FUM Withholding Mechanism

The clerks brought back a draft proposed minute addressing the FUM withholding mechanism.

The clerk's sense of the meeting is that the body accepted the following minute.

NEYM is not in unity to further extend the withholding mechanism. The mechanism was established by Minute 2009-54, which specifies that "this process is to be in force until September 30, 2010, unless explicitly extended by the YM in its Sessions next year." It was extended several times, most recently in Minute 2014-69, which extended "the FUM financial withholding policy for the next five years, to be re-assessed no later than NEYM Sessions in August of 2019." Without unity on the floor of 2019 Sessions to extend it further, the mechanism ends.

Out of respect for the discernment of meetings that have approved budgets which incorporate the withholding mechanism, and in order to afford monthly meetings the time to incorporate this change into their annual budget discernment, we set the date for the expiration of this mechanism for October 1, 2020.

A number of Friends stood aside from this minute. Others were unable to unite with it.

2019-59 Minute of Exercise on NEYM's relationship with FUM

We heard again the minute of exercise presented by the clerks.

We know that every person is deeply beloved in the eyes of God. We unite unequivocally in our love and care for lesbian, gay, bisexual, transgender, and queer Friends, and hold a particular concern for their lives and ministries. We continue to seek the ways we can best support these Friends in New England, around the country, and around the world.

We are clear that the FUM personnel policy causes harm to LGBTQ+ Friends, as well as all Friends who are sexually active outside of heterosexual marriage. Furthermore, the personnel policy suppresses the ministry of these Friends, causing loss to the wider body. We seek forgiveness for the extent to which we are complicit in this.

All of this we hold to be true, and yet we also unite in our desire to continually engage with the wide diversity of Friends worldwide. We are a part of FUM, we love FUM, and we wish to live in our community with love and integrity.

In our struggle to hold these two unities in tension, for several years we have extended a temporary withholding mechanism (see minute 2009-54) that allows individuals to know that none of their money will go to FUM.

The withholding mechanism has served a meaningful and helpful purpose. For a decade it has supported the freedom of conscience of some Friends within our Yearly Meeting, and also given us a reprieve from the tension and division that the FUM personnel policy has

created in our communities. During this period, significant work was done, seeking greater unity and understanding.

As the withholding mechanism expires, we have heard any number of proposed possible mechanisms that might allow us to hold in tension both the freedom of conscience of Friends exercised by the personnel policy, and the deeply held desire to remain in community with FUM. Given our lack of unity, we are concerned that any alternative proposal drafted in haste on the floor of Sessions will not be seasoned; will not allow input from individuals not present at Sessions; and would be an obstacle to finding the opportunity that God is giving us. We hope that a properly seasoned proposal may rise through our established structures (e.g., a minute from a monthly meeting seasoned by the quarter) and be brought to Sessions 2020 before the withholding mechanism finally expires. What new opportunity, what new possibilities, are we now being called into?

As we move forward, let us listen to one another and to that of God within one another. In the words of Toni Morrison, let us “take the time to understand other languages, other views, other narratives.” Let us seek that greater place where God’s full measure of grace is poured out.

A number of Friends stood aside from this minute. Others were unable to unite with the minute.

9.2. Sessions Minute 09-54

With regard to financial contributions to FUM, in the light of the FUM Personnel Policy, we approved the following minute.

If a monthly meeting minutes the intention of some of its members to exclude FUM from their contribution to NEYM, the MM treasurer will notify the NEYM treasurer of that decision, including a copy of the MM minute with the communication. The monthly meeting will then decrease their intended contribution by the appropriate amount, and the NEYM treasurer will decrease our contribution to FUM by the same amount. The MM treasurer is responsible for calculating the percentage of their budget that goes to NEYM. For FY09, the percentage of the NEYM budget that goes to FUM is 1.5%. A fund will be established to which individuals can donate to add to the Yearly Meeting's contribution to FUM. Individuals may donate to this fund if they wish to help ensure that the full budgeted amount goes to FUM. The NEYM treasurer will exercise care in communicating with FUM about the potential variability in NEYM's contribution to FUM. Friends find themselves painfully stretched between apparently conflicting imperatives, in both of which the honor of Truth is involved, in the context of our continued committed relationship with FUM. We understand that it will place a burden on Permanent Board, Finance Committee, treasurer and the accounts manager to elaborate the implementation. We further recognize that we must develop a more permanent response, in right ordering, and taking care that Friends are kept well informed as the work proceeds. Therefore, this process is to be in force until September 30, 2010, unless explicitly extended by the YM in its Sessions next year. We are struggling with this decision, even though it is taken in tenderness to conscience. Several Friends told us that they are not in unity with this decision, but are willing to stand aside.

9.3. Sessions Minute 2019-45: Bank Resolutions

The following resolutions are brought by the Finance Committee:

1. That Shearman Taber be appointed New England Yearly Meeting treasurer for the ensuing year or until a successor is appointed and qualified.
2. That Kathryn Olsen be appointed New England Yearly Meeting assistant treasurer for the ensuing year or until a successor is appointed and qualified.
3. That Robert M. Spivey be appointed Friends Camp treasurer for the ensuing year or until a successor is appointed and qualified.
4. That Shearman Taber, Yearly Meeting treasurer; and Noah Merrill, Yearly Meeting secretary; be individually authorized to open and close bank accounts in the name of New England Yearly Meeting as needed.
5. That Robert M. Spivey, Friends Camp treasurer; and Anna Hopkins, Friends Camp director, be individually authorized to open and close bank accounts in the name of Friends Camp as needed.
6. That Noah Merrill, Yearly Meeting secretary; Shearman Taber, NEYM treasurer; Kathryn Olsen, NEYM assistant treasurer; and Bruce Neumann, presiding clerk, be designated as alternate signers, individually, of all bank accounts of New England Yearly Meeting of the Religious Society of Friends, except those checks for greater than \$10,000, which shall require the signatures of two signers from the list above.
7. That Anna Hopkins, Friends Camp director; Robert M. Spivey, Friends Camp treasurer; and John Reuthe, Friends Camp Committee clerk, be authorized, individually, as signers of the Friends Camp bank accounts, except those checks for greater than \$10,000, which shall require the signatures of two signers from the list above.

9.4. Job Descriptions

9.4.1. Treasurer

Primary Function

Recognizing that the primary purpose of the Yearly Meeting is a spiritual one, the Treasurer plays an essential role in ensuring Friends' faithful stewardship of the resources given into our care. The Treasurer is responsible for oversight of the overall integrity, completeness and accuracy of the Yearly Meeting's finances and financial records, and for reporting on the state of the Yearly Meeting's finances to inform discernment, decision-making, and governance. The Treasurer strives to ensure that the Yearly Meeting's accounts are maintained in a manner consistent with generally accepted accounting practices (GAAP).

Hours and Work Site

This volunteer role represents a commitment of 10-15 hours per month plus travel, but the flow of work will vary during the year. Preparation for Finance Committee meetings, Permanent Board meetings, and Sessions will take some concentrated effort, as will meetings with the Yearly Meeting Secretary. Regular meetings with the Accounts Manager, Yearly Meeting Secretary, and others are required.

Meetings are held at various locations through the Yearly Meeting. The Treasurer must be available by email, and infrequently by telephone, and have online access to the Yearly Meeting accounting system and file sharing platform. Attendance at Annual Sessions is required, and expected at meetings of the Permanent Board and the Finance Committee whenever possible.

Supervision and Oversight

The Nominating Committee, with input and vetting from the Finance Committee, nominates the Treasurer, who is approved by Annual Sessions. If the Treasurer must be appointed between Sessions, that appointment would be approved by Permanent Board.

The Treasurer is supervised by the Clerk of Permanent Board, who consults as needed with the Presiding Clerk, the YM Secretary, and the Clerk of Finance Committee.

Qualifications

The Treasurer should be a Friend with a facility and/or experience with budgets, financial topics, spreadsheets, and the organizational structures of the Yearly Meeting. General knowledge of accounting, specifically of non-profit accounting is highly desirable. Ability to use bookkeeping and database software of the Yearly Meeting (currently QuickBooks Online) and Microsoft Excel is essential. Professional experience in accounting is a great plus. Training and orientation to the specifics of the role will be provided by the outgoing Treasurer and by staff.

Functions & Tasks:

Committees

The Treasurer serves ex-officio on:

- Permanent Board*

- Finance*
- Coordinating and Advisory **
- Board of Managers of Investments and Permanent Funds
- Development

* Attendance at the meetings of these committees is expected.

** Either the Treasurer or the Finance Committee Clerk should attend each meeting.

Reports

In consultation with the Accounts Manager (and Secretary as needed) prepares reports for each meeting of Finance Committee and Permanent Board.

With the Accounts Manager, calculates withholding from Friends United Meeting, following the formula of Yearly Meeting minute 2009-54, and informs monthly meetings that are withholding of the percentage. Interprets the current policy to local meetings with care and in coordination with others responsible for tending to the relationship between NEYM and FUM.

As requested, and as time allows, coordinates with the Accounts Manager and Secretary to prepare reports and projections on topics of importance to the work of the Yearly Meeting, as appropriate.

Prepares and presents oral and written reports to Annual Sessions.

Works with the Accounts Manager to create and deliver quarterly and year-end financial statements in a timely manner.

Communication

Communicates and collaborates regularly with the Yearly Meeting Secretary, the Accounts Manager, the Clerk of the Finance Committee, and the Clerk of Permanent Board.

Provides input to the annual review of the work of the Accounts Manager.

Collaborates with and provides oversight of the work of other treasurers as appropriate, including the Friends Camp Treasurer and the Board of Managers Treasurer.

Supervises, and delegates work to, the Assistant Treasurer.

Budgeting

Consults with the Yearly Meeting Secretary and Accounts Manager on development of the Operating Division Budget, Sessions Budget, Sessions Fee Schedule, and Salary & Benefits Schedule for NEYM employees.

Policy

Consults with the Accounts Manager and Secretary on policies that need improvement and areas where controls should be tightened or loosened. Seasons these suggestions and may bring questions or proposals regarding policies to Finance Committee. Finance Committee then would bring policies them to Permanent Board for approval.

Maintains familiarity with the Finance Committee Handbook and relevant policies of the Yearly Meeting.

Disbursements

Regularly review disbursements to ensure staff procedures are resulting in proper approvals, categorizations and documentation.

In the absence of the Yearly Meeting Secretary and Permanent Board Clerk, may be asked to sign checks. (Any check over \$5,000 requires a second signature.)

Accounting

Consults with the Accounts Manager and YM Secretary on potential revisions to the chart of accounts. For significant changes to the chart of accounts, will consult with the Finance Committee.

As needed, and in consultation with the Secretary and Accounts Manager, recommends to Finance Committee the elimination of funds that may have outlived their usefulness. (Finance Committee seasons this for Permanent Board.)

Works with the Accounts Manager and Secretary to close the books at the end of the fiscal year according to NEYM schedule and procedure.

With the Accounts Manager prepares for, and participates in, the annual internal financial review by the Finance Committee.

Accounts

In consultation with the Yearly Meeting Secretary, has individual authority to open and close bank accounts. With the Yearly Meeting Secretary, seeks approval from Permanent Board or Sessions for Corporate Resolutions or other authorizations required by financial institutions where the Yearly Meeting maintains relationships/accounts.

Authorizes additions to and withdrawals from the Pooled Funds in accordance with YM policies.

Updated by Finance Committee 4/20/19

9.4.2. Assistant Treasurer

Primary Function

The Assistant Treasurer will assist the Treasurer in carrying out his/her duties. It is expected that this will include generating financial reports, making reports to various committees, signing Yearly Meeting checks, and various other tasks as requested. The division of tasks will depend in large part on the relative living locations, skills and freedom of schedule of the Treasurer and Assistant Treasurer. The Assistant Treasurer is ideally a Treasurer in training.

Hours and Work Site

This volunteer role represents a commitment of approximately 5-8 hours per week plus travel. Occasional in-person meetings with the Treasurer will be required. No specific location is required, though the Assistant Treasurer will need to be available by email and infrequently by telephone as well as having on-line access to the Yearly Meeting accounting system and database. The Assistant Treasurer is expected to attend all Finance Committee meetings. Attendance at Annual Sessions is required.

Supervision and Oversight

The Assistant Treasurer is supervised by the Treasurer, and works under the authority of the Finance Committee. The Finance Committee nominates the Assistant Treasurer, who is annually appointed by Sessions. It is expected the Assistant Treasurer will serve for 3 years,

Qualifications

The Assistant Treasurer should be a Friend with a facility and/or experience with budgets, financial topics, spreadsheets, and the organizational structures of the Yearly Meeting. Ability to use bookkeeping and database software of the Yearly Meeting is essential, though this can be learned on the job. Experience with Microsoft Excel is required. A general knowledge of non-profit accounting is highly desirable. Because the Assistant Treasurer will be signing checks he/she must be over the age of 21.

Functions and Tasks:

Reports

- Prepares reports for meetings of Finance Committee, Permanent Board, and other committees as requested.
- Assists Treasurer in producing annual reports to groups responsible for restricted and board-designated funds.
- Works with Treasurer to create financial statements for the Yearly Meeting Directory.

Communication and Education

- Maintains good working communications with the Treasurer.
- May be asked to respond to inquiries from monthly meeting Treasurers, committee clerks, donors, and others with questions related to the Yearly Meeting's finances.
- Assists in annual financial review by the Finance Committee.

Budgeting

- Assists Treasurer and Finance Committee with preparation of the next year's budget.

Policy

- Maintains familiarity with the Finance Committee Handbook and relevant policies of the Yearly Meeting.

Meetings

Attendance is expected at

- Finance Committee meetings
- Yearly Meeting Sessions
- Permanent Board (when the Treasurer is unable to attend)
- Other committees as requested.

Calculations

- Assist the Treasurer with preparation of the annual budget. May be asked to keep track of all the changes to the budget working document.
- May assist with calculating withholding from Friends United Meeting, following the formula of Yearly Meeting minute 2009-54 and inform affected monthly meetings of the percentage.

Disbursements

- Signs checks as able and required. Any check over \$5,000 requires a second signature. Signing a check includes verifying authorization and availability of funds.

Accounting

- Brings mistakes, anomalies, and salient trends to the attention of the Treasurer.
- May work with the Accounts Manager to close the books at the end of the fiscal year.

Accountability

Yearly Meeting appoints the Assistant Treasurer at Sessions.

9.4.3. Clerk, Finance Committee

Primary Function

The clerk of the Finance Committee is responsible for calling and leading the meetings of the Finance Committee of New England Yearly Meeting. As the Finance Committee is responsible for shepherding the Yearly Meeting's budgeting process as well as providing the Treasurer and Yearly Meeting staff with guidance, oversight, and support on financial matters, the clerk of the Finance Committee is expected to fill a leadership role in the Yearly Meeting's discernment on diverse issues with financial implications. In coordination with the Treasurer, the clerk is responsible for communications regarding the issues related to the finances of the Yearly Meeting with its membership, and in particular, the Permanent Board, Personnel Committee, Sessions Committee, Yearly Meeting Secretary and the other members of the Finance Committee.

Other Committee Responsibilities

The Finance Committee Clerk serves, ex officio, on the following committees:

- Any subcommittees of the Finance Committee
- Permanent Board
- Coordinating & Advisory*
- Board of Managers of Investments & Permanent Funds

The membership of C&A calls for either the Treasurer or the clerk of Finance. While this may be considered an inclusive "or" to include both, if it is felt to be an exclusive "or" and only one is regularly meeting with C&A there must be close communications between the two regarding financial issues before C&A.

Hours and Work Site

This volunteer role represents a significant commitment, including an estimated average of 25 hours per month spent on email, telephone, and in-person contact with those mentioned above. Finance committee meetings are generally day-long in-person events and held at whatever location the committee chooses. Sub-committee meetings are often held by conference call. Permanent Board holds six day-long meetings each year spread across New England. C&A meets once each month for 2 to 3 hours, alternating between in-person and phone meetings. One of the fall meetings is a weekend-long retreat.

Supervision and Oversight

The clerk is accountable to the Finance Committee and Coordinating & Advisory Committee.

Qualifications

The clerk of the Finance Committee is selected among the members of the Finance Committee appointed by the Yearly Meeting. This individual should be familiar with finances in general and the financial structure of New England Yearly Meeting in particular. Familiarity with the administrative processes of the Yearly Meeting is also highly desirable.

Functions & Tasks

Note: Some of these tasks may be assigned to subcommittees or other individuals, but the clerk needs to stay in communications with those people to keep track of the progress.

Committees:

- Convene and lead the meetings of the Finance Committee.
- Prepare Finance Committee meeting agendas.
- Provide Finance Committee members with written materials to inform discernment in advance of committee meetings.
- Participate as a full member of Coordinating and Advisory Committee or, if the Treasurer is participating in C&A instead of the clerk, coordinate closely with the Treasurer on financial matters before C&A.
- Participate as a full member of Permanent Board.
- Work with sub-committee clerks to help coordinate and expedite their work.

Consultation & Resources

- Be available in a timely manner to offer financial expertise, advice and guidance to all committees, staff and monthly meetings upon request.
- Provide referrals to other resource people, publications, or agencies as needed.
- Work with the Treasurer to resolve problems with the finances of the Yearly Meeting.

Reports

- Prepare and present the Finance Committee annual report to Sessions.
- Prepare and give reports and requests for action to Permanent Board on issues raised by Finance Committee.
- Present the annual budget to Permanent Board for feedback and then present it to Sessions.
- Report to the Finance Committee on any finance-related discernment at Permanent Board meetings.
- Review reports from the Treasurer.

9.4.4. Accounts Manager

(Please consult the NEYM Personnel Handbook on the NEYM website for the Accounts Manager job description.)