

**Finance Committee Report  
Representative Meeting 140  
17 March 2017**

Since last Representative Meeting, the Finance Committee has met four times by teleconference. This report presents completed committee work and work in progress. We offer three action items for approval (indicated by ***bold italics*** below)

**Completed work**

1. Contributions policy. We completed a draft SAYMA policy, and have adhered to it in the interim to allow us to accept and use earmarked contributions for the Uplifting Racial Justice activity. The draft policy allows unrestricted contributions and contributions restricted to set-aside funds and other specific purposes. It describes how SAYMA will account for contributions, thank donors, and encourage those wishing to contribute.

***Finance Committee recommends approval of the contributions policy.*** We have identified two additional categories for which we propose accepting restricted donations. Pursuant to III(3) in the Contributions Policy, SAYMA will accept earmarked donations for SAYF. The Treasurer and the SAYF Administrative Assistant will develop procedures for administering SAYF earmarked donations that conform with the policy. SAYMA will also accept earmarked donations in support of each yearly meeting. The Treasurer will apply such donations first to yearly meeting scholarships, with any excess supporting the yearly meeting program generally in the year they are received.

2. Budget adoption date. Last summer, Finance Committee received a concern from a Friend about the timing of budget adoption, which read in part:

*“...it is the job of the Treasurer and Finance Committee to provide complete and accurate reports to the body, to answer questions about these reports, and to propose a budget which is to be adopted at that time. The work is to be done there. When the fiscal year was changed to September...it became necessary to have Representatives Meeting to adopt a "Final" budget, in order to accommodate any changes necessitated by unanticipated revenues or expenses during the period from June through August. This should be a rare event, as virtually all revenue and expenditures should be anticipated...”*

Finance Committee reviewed *Faith and Practice, the Handbook*, and Yearly Meeting minutes. We concluded that the Friend was correct. *Faith and Practice* states that one of the duties of Yearly Meeting is to “Set an annual budget for yearly meeting expenses and events.” (page 26). We have therefore changed the timing of requests for budget information in anticipation of presenting a fiscal year budget for approval at Yearly Meeting.

3. Financial Exigency and Adjustments Policy. As noted above, budget approval authority belongs exclusively to Yearly Meeting. This can create difficulty when expenditures for Yearly Meeting-approved purposes exceed or threaten to exceed budgetary limits. The Finance Committee does not have the authority to approve or disapprove expenditures; it can only assist the Treasurer when there is doubt about whether a proposed expense meets an approved purpose. This policy provides guidance to the Treasurer on when expenditures in excess of budgetary limits may be allowed, and specifies reporting and accountability if this happens. It also provides authorization for the Treasurer not to spend budgeted funds if SAYMA is in financial distress.

While Finance Committee believes the limits in the policy are reasonable and prudent, we intend to implement the policy provisionally, keep track of any expense overruns that occur, and report results to Yearly Meeting 2019 before adopting the policy permanently.

4. SAYMA Physical Address. With the imminent departure of the current Administrative Assistant, SAYMA has acquired a post office box, which is appropriate for most business communication to SAYMA. However, tax authorities require us to have a “Physical Address.” Atlanta Friends Meeting has graciously allowed SAYMA to use its address as our “Physical Address” for this purpose, however *all correspondence to SAYMA should go to its postal address*, which is:  
SAYMA  
PO Box 76  
Pooler, GA 31322
5. Uplifting Racial Justice (URJ) expenditures. Minute 139-06-01 directed the SAYMA URJ committee and Finance Committee to work together to bring forward a proposal for administration of URJ funds. Two members of URJ and two members of Finance Committee collaborated in a proposal that is consistent with the needs of URJ and SAYMA’s policies and practice. ***Finance Committee recommends approval of the report*** that URJ Clerk Lisa Bennett will present. We thank the URJ committee for knowledgeable and gracious feedback during the report’s development.
6. Yearly Meeting Budget. The Yearly Meeting Planning Committee produced budget estimates for Yearly Meeting 2018 that project a loss of \$2,772. Last year, the Committee projected a surplus of approximately that amount, and a surplus of \$1,930 was recorded. The reasons for the projected loss are the absorption of credit card fees and the addition of playcare for very young children. Single year losses of the projected size are not unusual. If the loss materializes and is likely to increase in future years, the Committee and SAYMA will need to consider a long term subsidy for Yearly Meeting instead of the expectation that the event will break even.

## Work in progress

1. Review of SAYMA's books. SAYMA's *Handbook* says one of the duties of the Finance Committee is: "Review the books of the Yearly Meeting at least once a year and ensures that an audit is preformed at the change of the treasurers' term of office." A full audit by a certified public accountant would be quite expensive, and in excess of SAYMA's needs, which are to assure that the accounts are accurate and that there are no opportunities for financial misdeeds. We are researching the appropriate type of review to conduct with a view towards implementing it in summer 2018. Currently, we are investigating the possibility of having an in house review annually, conducted by a SAYMA volunteer, preferably not on the Finance Committee. Every three years, we would engage an external review entity for a limited review.
2. Incorporation of SAYMA. Finance Committee is concerned about the potential for individual liability of persons in positions of responsibility for financial (and other) misdeeds, even those that might be unintended. We are investigating whether incorporating SAYMA (but **not** applying for formal 501(c).3 status) would provide additional protection beyond the officers and directors coverage in SAYMA's insurance. If we learn that there would be benefit from this step, we will forward a recommendation to the Clerk's Committee for further seasoning.
3. SAYMA FY 2019 Budget. The Treasurer has prepared and Finance Committee has approved an initial FY 2019 Budget, which is attached for your information and further discernment. Here are key points related to the budget:
  - The Treasurer solicited requests for budget amounts from SAYMA committees, Wider Quaker Organization (WQO) representatives, and persons in positions of responsibility. It reflects requests received by February 15. Blanks indicate that we received no request.
  - We will propose a budget that is nearly balanced, if revenue and expense projections are borne out.
  - We are proposing a modest increase in overall WQO support, and are waiting for further advice (see ad hoc committee recommendation below) to complete the individual allocations.
  - Unless there is a significant increase in attendance at Yearly Meeting or a fee increase, we anticipate that modest deficits for Yearly Meeting will continue indefinitely, and have budgeted accordingly.
  - We anticipate spending a modest amount of money on external review of SAYMA's finances, but have not yet determined a recommended amount. See Financial Review, above.
  - We ask Representatives and members of SAYMA's leadership to forward additional budget requests or suggested changes to this budget to the Treasurer **before May 15, 2018**.
4. Wider Quaker Organization (WQO) contribution budgets. At Yearly Meeting 2017, Finance Committee hosted a meeting of WQO representatives and others with interest in WQO affairs to discuss duties of representatives and procedures for

establishing SAYMA's level of financial support to WQOs. Those in attendance produced a list of criteria for funding external organizations, but did not make a recommendation about the process of applying them: Who should do the initial discernment, and how they should proceed. The group suggested creating an ad hoc committee to define the process. ***Finance Committee recommends that the Clerk appoint an ad hoc committee on Discernment of Wider Quaker Organization Contributions, to report its recommendations at Yearly Meeting 2018*** in time for establishing contribution levels in the FY 2019 budget.

#### **Attachments**

SAYMA Contributions Policy

Draft Financial Exigency and Adjustments Policy

FY 2019 Budget version 0.4