

# Boulder Meeting Finances 101

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JANUARY 28, 2018

“A monthly meeting has many functions: ... It collects and administers funds for its maintenance and work, and it may hold property of a fiduciary nature as well as titles to real property.”

*IMYM Faith and Practice, p. 56*

# Boulder Meeting of the Religious Society of Friends

- A 501(c)(3) tax-exempt religious organization

*Annual  
filing (CO)*

- Churches are automatically tax-exempt if they meet certain requirements
- Churches are not required to obtain a determination letter from or file annual reports to the IRS

*Annual  
filing*

- Colorado statute exempts property owned and used solely and exclusively for religious purposes from the property tax, provided limitations on uses of property for non-exempt purposes and gross rental income derived from non-exempt purposes are met and annual filings are made
- Colorado law requires we keep permanent records of actions of the meetings of the members, board, and committees, as well as appropriate accounting records, which any **member** is entitled to inspect

- A corporation whose “objectives ... shall be to further and enhance the religious education and spiritual development of its members and of other interested persons”

*Annual  
filing*

- [Articles of Incorporation](#)

- [Bylaws](#)

*Changes reported to all banks and to state*

- Officers: Clerk (President), Associate Clerk (Vice President), a Recorder/Archivist (Secretary), Treasurer
- The Finance Committee provides regular oversight for the management of Boulder Meeting funds by the Treasurer

# Administration of Funds

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- Treasurer, Associate Treasurer, and Finance Committee work together to manage Meeting assets (all volunteers)
  - The Treasurer is an Officer of the Corporation and is ultimately responsible for ensuring the correctness of all records (must be a Member)
  - The Associate Treasurer is in training to serve as Treasurer in the future; generally is the Convener of the Finance Committee; leads preparation of the Meeting's annual budget; and leads preparation of annual letters appealing for contributions (must be a Member)
  - The Finance Committee advises the Meeting on financial issues, providing a fiscally responsible perspective and a reality check on what the Meeting can do financially
- The bookkeeper is a professionally qualified paid contractor engaged by the Finance Committee to assist the Meeting and the Treasurer to maintain records according to standard bookkeeping procedures and proper accounting practices
- The fiscal year runs from October 1 to September 30.
- In FY 2017, 1362 transactions were entered into QuickBooks

	Donations		Payments	
General Fund	473	71%	315	84%
TRR	156	23%	38	10%
Other Restricted	35	5%	22	6%
Totals	664	100%	375	100%

# Assets

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- Meeting House and land — actual value per county \$1,653,000
- Checking and Savings — \$52,219
  - Operating funds
  - Echo House Fund
  - Toward Right Relationship Fund
  - Friends Emergency Fund
  - Togo Support Fund
  - Spiritual Healing Run Fund
- General Fund Investment Accounts — \$100,006
  - Building and Grounds Reserve
  - Ruth Waskey Memorial Fund
  - Walton Spiritual Development Fund
- HE Scholarship Fund Investment Account — \$121,811
  - HE Scholarship Funds Available

\$1,927,036

*\* All amounts from FY 2017 Year End Reports*

# Income

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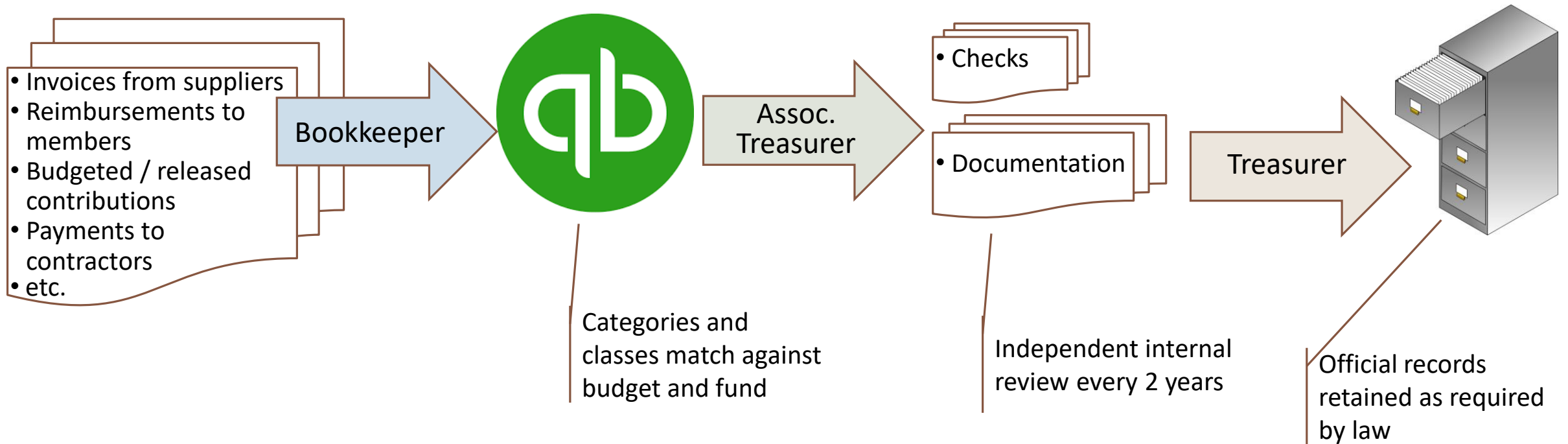
- Contributions are categorized according to the intent of the donor
  - Unrestricted contributions – No restrictions imposed by donor; assets available for general use
  - Temporarily restricted contributions – With restrictions that will eventually expire or will be fulfilled by actions of the organization
  - Permanently restricted contributions – With restrictions that will never expire (e.g. our Higher Education Scholarship Fund)
- Contributions are tax deductible
  - Every check must be recorded and at the end of the **calendar** year each donor who give more than \$100 receives a record of their contributions
  - Nothing of value may be provided to the donor in return for the contribution; if the donor receives something of more than nominal value, that value must be deducted from the receipt
  - Meeting cannot accept donations intended for a specific person, because under IRS rules a donor cannot deduct contributions earmarked for specific individuals—the IRS considers these gifts

# Different Funds Reflect Different Types of Contributions

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- The General Fund receives unrestricted contributions whose planned use is approved by Business Meeting through the annual budget and releases
- [Committed Funds](#) receive earmarked donations from members and attenders which are set aside for particular uses; these are legally unrestricted and all members and attenders can participate in decisions about their use and Business Meeting can redirect their use as needed (e.g. Building & Grounds Reserve and Echo House Fund)
- Temporarily [Restricted Funds](#) must be set up if a proposed project will solicit contributions from sources outside the Meeting (e.g. Togo Support Fund, Toward Right Relationship Fund); donors are not generally available to consent to redirecting the funds if circumstances change, so the money should be returned to the grantor/donor(s) or donated to a nonprofit organization that will use it for a similar purpose
- The Higher Education Scholarship Fund (HESF) is Permanently Restricted; contributions are invested and the earnings used for scholarships awarded to qualifying members and attenders of the Meeting (earnings are placed in a temporarily restricted fund to be released when scholarships are awarded)

# Expenses



# The Budget

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# Budget Basics

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- The Budget represents operating expenses
  - An annual plan to cover all the expected disbursements to keep the building and grounds in good order, provide food for fellowship, money for Quaker activities, religious education, pay the insurance and utilities, make donations to outside groups, and more.
  - A new budget is required for each new fiscal year
  - As the fiscal year progresses, circumstances may require the Meeting to re-assess the budget plan and make corrections to spending in light of changing financial conditions.
- Bills are paid as they are received. Outside contributions are scheduled by the committee recommending the donation and are paced so that not all are expended at the same time.

# 16 Committees with Budgets

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- B&G
- Fellowship
- Finance
- Grief & Bereavement
- Higher Ed Scholarship
- IPC
- Library
- Ministry & Worship
- Oversight & Membership
- Welcoming and Outreach
- PSJ
- Program Hour
- Quaker Activities Assistance
- Religious Education
- Service
- Web Committee

# Developing the Budget

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- Each committee has the responsibility to:
  - Determine what the priorities are for their activities
  - Come up with a \$\$ request for spending that reflects their priorities
  - Submit the request to Finance Committee
- Finance Committee has the responsibility to:
  - ***Finance Committee cannot change committee requests!***
  - Consider the amount of donations from previous years and project income for the upcoming fiscal year (Oct. 1 through Sept. 30 of following year)
  - May make suggestions to committees based on projections
- Associate Treasurer
  - Collect the spending plan from each committee (all 16!)
  - Add up all the committee requests and compare them to previous years
  - Present the budget to Business Meeting for approval

# Budget Cycle

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- **Early Spring:** Each committee should be thinking about where they need/want to spend money
- **May:** Each committee that proposes donations to outside organizations must submit to the Associate Treasurer a description of the organizations and how the donation aligns with the committee's mission or strategic direction
- **June:** Associate Treasurer, Treasurer, and Finance Committee assemble the budget narratives
- **July 1:** Budgets due to Associate Treasurer
- **July:**
  - Budget narratives are made available to the Meeting online and in print so that everyone has time to consider the committee recommendations and direct any questions to the committees
  - Associate Treasurer, Treasurer, and Finance Committee assemble the budget
- **August:** The proposed budget is presented for consideration and discussion **at** Business Meeting
- **September:** The budget is presented **to** Business Meeting for approval, including each of the outside donations. Outside donations approved with the budget do not need further Business Meeting approval.