



WATCH TOWER

BIBLE AND TRACT SOCIETY OF BRITAIN

THE RIDGEWAY LONDON NW7 1RN

TELEPHONE 020 8906 2211

TAA:TAB July 19, 2010

TO ALL CONGREGATIONS

Re: Funds-on-deposit arrangement

Dear Brothers:

Second Corinthians 8:14-15 says: “That by means of an equalizing your surplus just now might offset their deficiency, in order that their surplus might also come to offset your deficiency, that an equalizing might take place. Just as it is written: ‘The person with much did not have too much, and the person with little did not have too little.’” One way that this principle can be put into practice organizationally is through the funds-on-deposit arrangement. For a number of years, an arrangement has been available to congregations to make loans to the branch office. We now describe this as the “Funds-on-deposit arrangement.” However, a recent analysis shows that only 37 per cent of congregations in Britain are taking advantage of this provision.

Each congregation is instructed to maintain a current account for handling necessary financial obligations. Generally, current accounts earn little or no interest, and some may even incur a monthly service charge. However, some congregations have excess funds in current accounts with little or no interest being earned. Other congregations may have a savings account where excess funds can earn interest until needed. At best, though, each congregation acting on its own will only achieve a limited return on its excess funds. Therefore, we are encouraging all congregations to give serious thought to participating in the funds-on-deposit arrangement with the branch office.

There are significant advantages to participating in this arrangement. First, each congregation would only need to operate one current account for its monthly financial activity. Congregations would not have to worry about opening savings or other accounts and becoming involved in investment decisions. Second, by consolidating funds, the branch office is able to earn additional interest at rates above what a congregation normally earns by acting on its own. Third, due to consolidation, the branch is able to arrange that the funds be “ring-fenced” resulting in better protection than a congregation would have with a local account, in the event of bank failure. The interest earned by the branch office would then be available for use in supporting Kingdom interests locally or worldwide. All of this is accomplished by making full use of funds that have already been contributed but may now be idle, earning little or no interest.

To simplify this arrangement and make it easier for the congregations that participate, we have eliminated the need for a resolution to be passed each time funds are deposited with or withdrawn from the branch office. One resolution must be passed to begin participating in the arrangement, but subsequent deposits and withdrawals may be made at the discretion of the body of elders. (This direction updates information found in *Instructions for Congregation Accounting* [S-27]). Of course, a resolution approved by the congregation is

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still needed for congregation funds on deposit with the branch to be *donated* to the branch office.

Funds being deposited can be sent by cheque made payable to “Watch Tower Society.” The withdrawal of deposited funds is to be made by written request. The accounts servant should record all of this activity on the congregation’s monthly *Accounts Sheet* (S-26). We intend shortly to introduce arrangements whereby you will be able to initiate the request to send or withdraw funds on deposit with the branch electronically. Further details will be sent to you in due course.

We have also extended this arrangement to include Kingdom Hall operating committee accounts. If your operating committee account contains funds in excess of what is required to care for a few months’ worth of expenses, the combined bodies of elders should consider leaving these funds on deposit with the branch office. If they agree to do so, each congregation must pass one resolution allowing the operating committee to begin participating in this arrangement. Thereafter, it may be left to the discretion of the operating committee whether to deposit or withdraw additional funds from this account. All correspondence and statements regarding this account will be sent through the title-holding congregation. This material should then be given to the chairman of the operating committee.

May Jehovah’s blessing be upon this effort to show increased diligence in caring for this aspect of the Master’s belongings. (Matt. 25:23) Please accept an expression of our warm Christian love.

Your brothers,

Watch Tower B. & J. Society
OF BRITAIN

PS to the body of elders: Please arrange for this letter to be read to the congregation at the first Service Meeting after its receipt. (There is no need to read the question-and-answer section to the congregation.) Thereafter, it should be kept in the congregation file with other letters relating to accounts. The letter to all bodies of elders, dated TAA November 24, 2008, should be removed and destroyed.

Questions and answers about the funds-on-deposit arrangement

Question 1: What amount of funds should we retain locally?

Answer: It is recommended that congregations retain only sufficient funds to cover at most three months of average expenses or enough to meet the bank's minimum requirement for free account facilities, whichever is greater. The rest can be considered excess and forwarded to the branch office for the funds-on-deposit arrangement. Lloyds TSB and Barclays have not stipulated any minimum balance for free facilities.

Question 2: If we at present have a current account for our monthly expenses and a savings account for our excess funds, do we have to close the savings account and send those funds to the branch office? What if we would prefer to keep the interest for local congregation needs?

Answer: You are to be commended for making wise use of funds dedicated for Kingdom interests. While we leave the decision to the local body of elders, we encourage all to look beyond local circumstances. There are congregations in other lands with greater material needs than we have here in Britain. By our applying the Scriptural principle found at 2 Corinthians 8:8-15, we hope to achieve an equalizing for the entire brotherhood. At best, a local congregation will only be able to earn interest at the local rate. By consolidating any excess funds into the funds-on-deposit arrangement, more interest can be generated collectively to benefit the worldwide work.—Matt. 24:14.

Question 3: What if more than one congregation meets in our Kingdom Hall, an operating committee account has been established to care for the expenses of the Kingdom Hall, and it now appears that excess funds have accumulated in that account? Can we place those funds on deposit with the branch office?

Answer: Yes. Both congregations and the operating committees are encouraged to set up their own funds-on-deposit account with the branch office. For operating committee accounts, all correspondence and statements will be sent through the title-holding congregation.

Question 4: How do congregations and/or operating committees leave funds on deposit with the branch office?

Answer: A congregation must pass a resolution to begin using this arrangement since it is donating interest that could potentially be earned. If the collective bodies of elders are in agreement with leaving operating committee funds on deposit with the branch office, each congregation must pass a resolution for this as well. Such resolutions might state: "We resolve to make wise use of funds dedicated to Kingdom interests by regularly depositing with the branch office any excess congregation (or operating committee) funds. It is understood that whenever a need arises for these funds, they will be returned at the request of the elders." Future additions and withdrawals of funds do not require a resolution but may be made at the discretion of the body of elders (or the operating committee).

Question 5: How do we request a return of funds on deposit with the branch office?

Answer: Withdrawal of deposited funds is to be made by written request to the branch office. The letter requesting withdrawal of funds should be signed by the coordinator of the body of elders and congregation secretary. If the coordinator of the body of elders or

congregation secretary is away, then the request should be signed by the remaining member of the Congregation Service Committee or another elder if needed. Be sure to include your congregation name and number, the amount to be withdrawn, and your bank details, so we can repay direct to your bank account. We intend shortly to introduce arrangements whereby you will be able to withdraw funds on deposit with the branch electronically. Further details will be sent to you in due course.

Question 6: How do congregations make funds that they have on deposit with the branch office, into an absolute donation to the worldwide work?

Answer: A resolution must be passed before deposited funds can be donated to the branch office. The donation of deposited funds is to be made by written request to the branch office. The letter should be signed by the coordinator of the body of elders and congregation secretary. If the coordinator of the body of elders or congregation secretary is away, then the request should be signed by the remaining member of the Congregation Service Committee or another elder if needed. We intend shortly to introduce arrangements whereby you will be able to instruct the donating of funds that are already on deposit with the branch electronically. Further details will be sent to you in due course.