



The Methodist Church

Guidance on making an Annual Return

The annual return represents the Charity Commission's main point of contact with the vast majority of registered charities in a given year. It is the regulator's principal means of gathering data from charities.

The annual return must be completed by all Methodist charities with an annual income above £100,000 i.e. those Methodist charities that have had to register with the Charity Commission. Qualifying Local Churches, Circuits and Districts must submit their annual return no later than 10 months after the end of their financial year ending 31 August 2019 (i.e. by 30 June 2020).

Planning ahead

It is important to plan ahead to ensure your charity completes its [annual return](#) on time. You must also:

- [update the charity's details](#) whenever something changes, such as a trustee being replaced
- keep your charity's password safe, particularly if the person who has it leaves the charity
- arrange handover training if someone takes over responsibility for completing the annual return
- arrange a trustee meeting to agree the accounts and trustees' annual report within two months of the financial period ending

Previous questions on internal policies, property ownership, recognition, gift aid and other regulators no longer form part of the annual return but are part of an ongoing obligation to update the Charity Commission. Therefore, Methodist charities need to update the Commission as and when changes occur, rather than by using the annual return as a 'snapshot' for a given year.

Before you start the online process

Ensure you have [reported all serious incidents](#) to the Commission before you submit your charity's annual return. This is because, as part of the annual return, you will need to declare that there are no serious incidents or other matters that trustees should have reported to the Commission but have not done so.

You should read the Charity Commission's [annual return privacy notice](#) before you use the service.

To submit your annual return you will need:

- to ensure that your charity submitted its annual return for the previous year (if required to do so)
- your registered charity number
- your charity's online services password. You can request a new password if needed

Please note - the online services password gives people in your charity access to detailed information about your charity and individuals connected with it. When giving access to this password, you must have measures in place to ensure that the system is used only for proper purposes and that the information accessed through the Commission's services will be treated carefully and sensitively and in accordance with legal requirements including the General Data Protection Regulations (GDPR).

Once you have logged in

You will be required to check and update the charity's details before you can access the annual return.

2019 annual return questions

Certain questions were optional at part of the 2018 annual return but will be compulsory for 2019. Ensure you have effective systems in place to collect the required information.

Part A

3. Income and spending

This information will be shown on the public register.

4. For the period of this return, were there any serious incidents that the charity failed to report to the commission?

You should report an incident to the Charity Commission if it results in, or risks, significant:

- harm to people who come into contact with your charity through its work
- loss of your charity's money or assets
- damage to your charity's property
- harm to your charity's work or reputation

Send serious incident reports to the Commission via the official [online form](#) (do not use the previous email address for reporting these). For more information about serious incident reports, please click [here](#). This information will be shown on the public register.

5. Does your charity raise funds from the public?

The answer is likely to be YES given that raising funds could include activities such as church collections, concerts, coffee mornings etc. The Charity Commission has produced guidance on fundraising [here](#). This information will be shown on the public register.

6. Does your charity work with a professional fundraiser?

Only asked if the answer is YES to Ref 5. It is extremely unlikely that Methodist charities would work with a professional fundraiser. This information will be shown on the public register. A 'professional fundraiser' is defined as follows (s.58 of the Charities Act 1992):

a. any person (apart from the charitable institution or company connected with such an institution) who carries on a fundraising business (that is, a business carried on for gain and wholly or primarily engaged in soliciting or otherwise procuring money or other property for charitable purposes); or

b. any other person who solicits for reward money or other property for the benefit of a charitable institution otherwise than in the course of a fundraising venture undertaken by a person mentioned in (a.).

7. Does your charity have written agreements with all of its professional fundraisers?

Only asked if the answer is YES to Ref 6. This information will be shown on the public register.

8. Does your charity work with a commercial participator?

Only asked if the answer is YES to Ref 5. This information will be shown on the public register. A 'commercial participator' is defined as follows (again s.58 of the Charities Act 1992):

'someone who carries on for gain a business other than a fundraising business [ie someone who does not qualify as a professional fundraiser], but in the course of that business engages in any promotional venture in the course of which it is represented that charitable contributions are to be given or applied for the benefit of any charitable institution(s)'

Practical examples of commercial participators would be a tinned food manufacturer that indicates on its packaging that for every tin sold, half of the profits will go to charity x, or a construction company that states on its website that it donates a proportion of its annual profits to charity y.

9. Does your charity have written agreements with all of its commercial participators?

Only asked if the answer is YES to Ref 8. This information will be shown on the public register.

10. Is grant making the main way your charity carries out its purposes?

The answer will most likely be NO. This information will be shown on the public register.

11. During the financial period for this return, did your charity receive income from contracts (other than grant agreements) from central government or a local authority?

The answer will most likely be NO. This question, along with Ref 12 and 13, is intended to help the Commission better identify those charities solely reliant on single source government funding by asking for the value and number of all government contracts and grants in the year (this information will also be published). This information will be shown on the public register.

12. How many contracts (other than grant agreements) did your charity have from central government or a local authority?

Only asked if the answer is YES to Ref 11. This information will be shown on the public register.

13. What was the total value of the contracts held from central government or a local authority?

Only asked if the answer is YES to Ref 11. This information will be shown on the public register.

14. During the financial period for this return, did your charity receive any grant funding from central government or a local authority?

This is a question of fact but in most cases the answer will be NO. This information will be shown on the public register.

15. How many grants did your charity receive from central government or a local authority?

Only asked if the answer is YES to Ref 14. This information will be shown on the public register.

16. What was the total value of the grants held from central government or a local authority?

Only asked if the answer is YES to Ref 14. This information will be shown on the public register.

17. During the financial period for this annual return, did the charity receive income from outside of the UK?

The answer will most likely be NO. However if the answer is YES then please answer the following questions.

18. Select countries the charity received income from, or select 'Unknown/don't know if applicable'.

Only asked if the answer is YES to Ref 17

19. What is the value of income by country? For each country specify the source and amount of income from the options:

- a) Overseas Governments or quasi government bodies; (including EU)**
- b) Overseas Charities, NGO's or NPO's**
- c) Individual donors resident overseas**
- d) Overseas institutional donors/institutions (for example private company donations)**
- e) Unknown/don't know**

Only asked if the answer is YES to Ref 17

For Individual donors and private institutions (c and d categories) a threshold is applied of payments of over £25,000 or 80% of charity income.

Providing information for these two categories is mandatory for the 2019 annual return.

20. During the financial period for this annual return, did your charity operate outside England and Wales?

The answer will most likely be NO. However if your charity has sent resources abroad please state YES. This information will be shown on the public register.

21. Select Countries the charity operated in during the financial period covered by this annual return

Only asked if the answer is YES to Ref 20. This information will be shown on the public register.

22. Record the total expenditure by Country

Only asked if the answer is YES to Ref 20. This information will be shown on the public register.

23. When spending money outside England and Wales, did your charity transfer money other than using the regulated banking system?

This question is mandatory for the 2019 annual return.

24. What methods to transfer money did the charity use and what was the value?

- A) Cash courier**
- b) Other charities or NGO's/NPO'S**
- c) Money Service Business (MSB)**
- d) Informal Money Transfer Systems**
- e) Online payment methods (e.g. Paypal)**
- f) Other**

This question is mandatory for the 2019 annual return.

25. Does the charity have monitoring controls in place to monitor overseas expenditure?

This question is mandatory for the 2019 Annual return.

26. Are the trustees satisfied that the charity's risk management policy and procedures adequately address the risks to the charity arising from its activities and/or where it operates?

This question is mandatory for the 2019 annual return.

27. Does the charity have any trading subsidiaries?

The answer will most likely be NO. This information will be shown on the public register.

28. How many trustees are also Directors of the trading subsidiaries?

Only asked if the answer is YES to Ref 27. This information will be shown on the public register.

29. During the financial period for this annual return, did any of the trustees receive remuneration or benefits other than expenses incurred?

No amounts are required. This information will be published.

30. For what services were any of the trustees paid?

- a) paid for being a trustee
- b) paid for providing professional advice or services to the charity
- c) any other benefit from the charity

PLEASE NOTE: Trustees should not be paid simply for fulfilling their role as trustee. Please do contact the Conference Office at Methodist Church House if you are unsure about this question. It may be that some trustees are paid for a specified role or service offered, but this is separate from the fulfillment of trustee duties. No amounts are required. This information will be published.

31. During the period covered by this annual return, did any of the trustees resign and take up employment with the charity?

This is a question of fact. This information will be shown on the public register.

32. During the financial period for this annual return, did any of your charity's staff receive total employment benefits of £60,000 or more?

The answer will most likely be NO. This information will be shown on the public register.

33. Enter the number of staff for each of the following salary bands:

£60,000 - £150,000 (increments of £10,000)

£150,001 - £500,000 (increments of £50,000)

Over £500,000

Only asked if the answer is YES to Ref 32. The Commission will make public how many individuals receive total packages worth upwards of £60,000 (in bands of £10,000 up to £150,000, then in bands of £50,000).

34. What was the value of the total employee benefits provided by the charity to its highest paid employee?

Only asked if the answer is YES to Ref 32. This additional information will be held for regulatory purposes only and not made public.

35. How many UK volunteers, excluding trustees, did your charity have during the financial period?

The Charity Commission only requires a best estimate of the number of volunteers. Trustees should not be included in this estimated number. This information will be shown on the public register.

In estimating the number of volunteers it is suggested that:-

A Local Church should exclude anyone who is a member of the Church Council, unless a member of the Church Council volunteers for the Local Church in another capacity e.g. the organist or Sunday school teacher. Anyone who is an employee should also be excluded.

A Circuit should also exclude anyone who is a member of the Circuit Meeting unless they volunteer for the Circuit in another capacity e.g. an unpaid administrator. A Circuit only needs to include in their number of volunteers those people who volunteer for the Circuit, not all the people who assist at a Local Church level. This might include those people volunteering for a Circuit run project e.g. a food bank as well as anyone assisting with the running of the Circuit but not employees.

A District should also exclude anyone who is a member of the Synod as they will be a charity trustee, unless they assist the District in another capacity as a volunteer. The District should only include in their estimation people volunteering for the District or a project of the District e.g. volunteer District Property Secretary.

36. During the financial period for this annual return, did your charity review its financial controls?

This information will be shown on the public register.

37. Do any trustees, staff or volunteers work directly and unsupervised with children or adults at risk?

This question will be triggered for charities with particular classifications and regulated by certain organisations.

38. Have DBS checks been carried out on all the individuals who are eligible to have them?

Only asked if the answer is YES to Ref 37. If you are unsure of which situations require DBS checks to be carried out on staff or volunteers, please read our Practice Guidance on carrying out DBS checks as part of Safer Recruitment.

Part B

39. No changes to Part B questions that have been asked in previous years

Part B is for charities with income over £500,000 only.

Part C

40. Send trustees' annual report and accounts

You are able to attach 3 files or 1 consolidated file - trustees' annual report/accounts/auditor's report. This information will be shown on the public register.

If the charity's annual income is up to and including £1m and total assets below £3.26 million, submit a PDF copy of accounts and trustees' annual report (external scrutiny required).

If the charity's annual income is over £1 million or gross assets over £3.26 million and gross income over £250,000, submit a PDF copy of accounts and trustees' annual report (with external scrutiny and full audit).

Part D

41. Complete a declaration. It will collect your name, position, contact details and the date.

There is a minor amendment to the declaration on previous years as it now asks for your position.

Updated 01/07/2019