

# INTRODUCTION (revised 9/2/10)

This manual is intended to be:

- an introductory guide for new treasurers
- a reference document for existing treasurers
- a reminder of responsibilities for managing trustees and finance committees

## Our Spiritual Perspective

There is always a danger when talking about money matters that the emphasis will be placed firmly on the material aspect. However for Christians being part of the Body of Christ should be a constant reminder to think carefully and prayerfully about its use and purpose.

Our responsibilities are not just to ourselves and our buildings. We need to be good stewards of the money placed in our care, and to be mindful of the needs of others in the local community and the wider world.

## Aims

We hope you will find this guidance helpful as you take on a new role or want to know how to deal with changes in the law and other requirements.

We have done our best to get sometimes difficult matters across simply and in a user-friendly way.

We believe you will find considerable assistance and re-assurance in these pages. Don't be afraid to share any concerns with other members of the Church Council. Sharing and praying about responsibilities within God's work can bring many blessings, and we will often receive answers which enhance much more than our financial stewardship.

These notes are for general guidance and do not override Standing Orders which are the final authority. Some of the main Standing Orders are printed in full in a later section.

## Relevance to all managing trustees

**PLEASE NOTE THAT while throughout this booklet we have referred mainly to managing trustees of local Churches, the same principles apply to Circuits and Districts. So, where we refer to local Church requirements in preparing accounts, the same applies to managing trustees throughout the connexion. In the same way all of the fundamental principles will apply in local Churches, Circuits and Districts.**

The Methodist Church Act 1976, gives authority to the Conference to set out requirements for the whole of the Methodist Church through Standing Orders.

In particular, Standing Order 941(iii) requires all Church Councils to:-

*"Prepare and consider the annual property schedules, both of accounts and investments and of the state of the property, and take any action required in consequence".*

Thus, local churches, Circuits and Districts must prepare annual and have them audited or independently examined.

## Contents and Purpose

This booklet has two main subjects - **trusteeship** and **finance**. It is written for those people who make the decisions in the local Church (*i.e. the Church Council*) and describes some of their primary responsibilities, particularly with regard to money.

The purpose of this manual is twofold:-

- i) To remind **managing trustees** that they have legal and other responsibilities when conducting the affairs of the local Church.
- ii) To set out in some detail how **Methodist money** should be managed, so that the legal requirements including the requirements of the Charities Acts are fulfilled.

## Requirements

**Treasurers may use the Receipts and Payments method of accounting which they use now unless gross income to the Church exceeds £250,000, when Accruals Accounting is required.**

The main additional requirements are likely to be:  
including a **statement of assets and liabilities** (16)

Showing clearly the different **types of fund** i.e. restricted, unrestricted or endowment (30-36)

appointing a **registered auditor or independent examiner** (37-41)

producing an **annual report** (42-44)

All of these matters are set out fully in later sections

**Table of Financial Thresholds for 2009-2010**

**Method of Accounting**

	<b>England and Wales</b>	<b>Scotland and Shetland</b>	<b>Isle of Man</b>	<b>Channel Islands</b>
<b>Receipts &amp; Payments</b>	Gross income below £250,000	Gross income below £100,000	Below £100,000	Follow guidance for England and Wales
<b>Accruals</b>	Gross income over £250,000	Gross income over £100,000	Over £100,000	

**External Scrutiny**

	<b>England and Wales</b>	<b>Scotland and Shetland</b>	<b>Isle of Man</b>	<b>Channel Islands</b>
<b>Audit by Registered Auditor</b>	Gross income over £500,000 <b>Or</b> Gross income over £250,000 and Gross Assets over £3.26m	Gross income over £500,000 <b>Or</b> Gross income over £100,000 and Gross Assets over £2.8m Audit required in following two years	Income over £100,000	Follow guidance for England and Wales
<b>Independent Examination</b>	Where income or income/gross assets do not exceed the Audit thresholds.  If income exceeds £250,000 independent examination by a qualified examiner of a body specified under the 2006 Act (see CC63a)	Where income or income/gross do not exceed the Audit thresholds.  (Independent Examination by a member of a professional accounting body)	Income below £100,000	

**(Threshold is linked to gross income or gross income and gross assets alone, and not to expenditure) New thresholds in England and Wales for 2008-09 relate to Annual Accounts whose year end is 1 April 2009 or later.**

This, of course, includes all local churches, Circuits and Districts