

The Methodist Property Office – Resourcing Mission

Trustee Responsibilities

Some questions and answers

As a result of the four Trustee seminars held in 2009 the Resourcing Mission Office agreed that it would be a good idea to publish some of the questions and answers that came up. We hope you will find these useful.

Do **gross assets** include the value of the church property?

Yes, the gross assets figure includes the values of land and buildings (see Standard Form of Accounts Frequently asked questions)

Is the **Standard Form of Accounts** alone sufficient for Trustees to sign off?

Yes; In England and Wales, Isle of Man and the Channel Islands completion of the Standard Form of Accounts satisfies SORP requirements and requirements of Standing Orders.

In Scotland the Standard Form of Accounts is sufficient for Accruals Accounting; for Receipts and Payments OSCR's model is required.

As District Officers - How do we ensure and control the completion of church and circuit accounts and submission to synod?

*The managing trustees are solely responsible for the completion of their **Annual Accounts**. They, currently have to submit these to the District where, as a matter of connexional goodwill, they are examined. It is likely this latter check will in future be passed to the District Treasurer.*

The Charity Trustees have sole responsibility for completing annual accounts under Standing Orders.

At a final meeting of a Church Council - nothing left in funds - they have given it all away?

The managing trustees are permitted to expend their General Funds on any charitable purpose of the local church or its ancillary organisations and must then complete a set of final accounts to show how they have spent it.

Accruals Accounting - can you by choice continue to use accruals accounting for income below £250k and over £100k?

Yes you can still opt to complete accruals accounts

Are there any guidelines on how Circuits should give to charities from Circuit funds?

Methodist trustee bodies may expend their General Funds and Model Trust funds on any charitable purpose of their organisation or of any ancillary organisation e.g. Youth Group provided it fulfils the charitable objectives of their trust.

Contact the Resourcing Mission Office for further information.

What is the Charity Number of the Methodist Church and can it be more readily available?

The Methodist Church has its own charity number as it holds funds but this cannot be quoted for any local church, circuit or district as they are a charity in their own right..

The Methodist Church as a whole is made up of smaller charities.

If asked for proof of charity status you can:

- If you are a registered charity quote your charity number*
- If you are still an excepted charity quote your HMRC Gift Aid number. (Some churches take advantage of the Methodist Church Gift Aid scheme - If you use this the number to quote is X65308).*

Can we live with conflict of interest if there are no people to do the job?

Many in the Church act in more than one capacity - the important thing is that they always declare their interest if they consider they will be compromised and not vote on, or take part in any discussion by the trustees on that particular matter (so 019A and 919)

Property Consents District - additional responsibilities as Trustees (i.e.) DPO.
Consent panel not Trustees.

The District Consents Panel is not a trustee body in its own right but acts on behalf of the trustees of the District.

How do churches ensure that churches comply with CPD?

By following guidance from Connexional or District resources including Property Points, the Methodist website, Property Schedule A, Standard Form of Accounts etc and relying on the knowledge and experience of ministry and lay colleagues.

Volume 1 of CPD is out of print!

Volume 1 and 2 is now freely available for download on the Methodist website

What can Trustee bodies delegate?

Specific tasks may be delegated to a smaller group such as a Property Committee or Development Team but these groups remain accountable to the trustees i.e. Church Council or other trust bodies. A local church may delegate all or any of its responsibilities to the Circuit Meeting.

In the 'Role of a Trustee' booklet, no advice is given on employment issues, (e.g.) caretaker, supernumerary minister, lay worker etc. Could guidance be given?
Contact the Methodist Church's Personnel Office who will have the most up to date advice information.

How do we encourage Trustees to look ahead when most of the time they are looking back at the accounts?

This is the challenge of leadership for presbyters and lay persons with vision.

How do you discover update of Trusteeship?
Latest publication; The Role of a Trustee plus Property Points, Managing Trustees and Methodist Money (to be revised in 2010), the Methodist website, Annual Property Schedule A. Standard Form of Accounts. These are all on the Methodist website.

Is there any guidance for income - re building schemes etc?

Yes, the Resourcing Mission Office offers a range of guidance and support about grant funding from connexional funds and from external funding.

The big issue is the combination of Trustee with Risk Assessment/Health and Safety/Safe-guarding etc and people don't want to do any job!

There is no doubt some people shy away from taking on these roles. Others, however, recognise the District and Connexional guidance available on these matters and that, provided they act responsibly as a trustee there are unlikely to be any problems.

How do we make trustees aware of responsibilities without frightening them?

There is a continuing need for members to read the Charity Commission and Connexional guidance on trusteeship. Over many decades trustees have consistently found that church structures allow them to exercise trusteeship without cause for alarm.

LIABILITY - Not all understand.

See the leaflet 'The Role of a Trustee' on the Methodist website

Indemnity Insurance - more clarity about the cover, need to consider relatively low level of cover.

The Methodist Insurance Company's Church Shield Policy now provides free cover up to £100,000. This level of cover is more than sufficient in most normal circumstances. If a church is contemplating taking on a major high risk project advice should be sought from your insurance provider. In almost all cases this will be Methodist Insurance Plc..

How responsible is the Church Council for ensuring user groups have and follow satisfactory policy and practice?

Ultimately, user groups are responsible for their own affairs but managing trustees should offer basic guidance by making clear the rules about the use of their premises, insurance requirements, Safeguarding and other matters.

Keeping the number of trustees to a manageable size

Churches and Circuits have a degree of flexibility on this though, by and large, their Constitutions are set out in Methodist Standing Orders.

Can you give a precise definition of who is defined as a Trustee? Yes Church Council member but who else? (e.g.) Women's Network Group Management Team??

Standing Orders set out the respective constitutions of local Churches, Circuits and Districts. Conference has determined what these shall be - but, in effect the Church Council is a body of trustees - subject to Standing Orders and charity law.

For details of who is a managing trustee and therefore eligible to vote see Standing Order 410 Districts, 510 Circuits and 610 The Local Church

The number of people who are deemed to be Trustees. CPD would need to be changed to

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appoint a Managing Board of Trustees. (Is this an option) equivalent to Policy Committee at District level.

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Does a Trustee have to be a member of the Methodist Church?

Yes or a presbyter.

Will there be a nomination form to be a Trustee?

Trusteeship is by appointment of office holders at local level and nomination to the Circuit Meeting of local members as Circuit Meeting trustees.

Some volunteers may not be "fit for purpose" as trustees - how do we re-act?

The trustee declaration form used for charity registration purposes gives details on this. In the main, it is up to individuals to act with honesty and integrity and decline to act if they are disqualified.

The on-going change of Trustees on Circuit meeting and Church Councils and the need to ensure they know their responsibilities in advance and that the records are absolutely up-to-date?

Yes, As churches and circuits register with the Charity Commission they will have to inform the Commission of any new trustees or retirements.

Awareness/Accountability/Clarity - Standing Orders and CPD?

Many members of local churches never see CPD but they operate by referring to a wide range of guidance prepared by the Connexion.

How do we deal with a church officer (say Trustee) who is not willing to be a member of the Circuit Meeting as part of their appointment?

It is not compulsory for a trustee of the local church to be a member of the Circuit meeting unless they are the church steward or church treasurer.

Standing Order SO510(viii) says 'representatives elected by the Church Council of each local church from its own members in numbers specified by the Circuit Meeting'.

Therefore it is up to each circuit to decide how many from each local church is asked to serve on the meeting

Does membership of Church Councils require defining and a register produced of able and willing persons?

A register is unlikely to be a workable option except at a local level where it may well be helpful. Getting the message across that trusteeship does not equate to high personal risk is really important.

Church Steward refused to sign a Trustee Declaration. Are they allowed to be a Steward without being a Trustee?

Upon appointment, a Church Steward becomes a trustee and must sign a trustee declaration when the church applies for registration with the Charity Commission. However, stewards ought not to be apprehensive about trusteeship. Methodism has benefited from the service of trustees over many generations and Charity Commission guidance makes it clear that being a trustee does not need to be problematic.

Church Councils not conducted properly

This is the responsibility of the Superintendent Minister and any irregularity should be reported to them.

Do all members of Circuit Meeting have to give their details for the registration?

All members of the Circuit Meeting are managing trustees and so therefore will have to provide details for the registration.

Some churches have substitutes for Circuit Meeting - do they have to give their details - what is their status?

Substitutes will have to provide their details for the registration process. They are classed as trustees

Do all members of a Circuit Meeting need to be a Trustee?

Yes, there is no opt out clause except in exceptional circumstances.

Number of people on Circuit Meeting as Trustees to be registered. Up to 130 in some of our cases.

The Commission are allowing Circuits to register using a paper application form and an individual trustee declaration. This makes the process much easier.

How can a Circuit employee, Lay Worker or Organist be a Trustee?

The Commission accept that some members of the Church Council/ Circuit meeting will be paid employees. Their concern is that nobody benefits from their role as a trustee. The advice is that we give details of employment wage, terms and conditions etc and also that we use the words 'The member does not take part in any discussion on the terms and conditions of their employment'.

The Methodist Church has a conflict of Interest policy see Standing Orders 019A and 919.

Does District have to have a District Policy Committee?

Yes SO 402 sets out this requirement

402 District Committees. (1) Each district Synod shall annually appoint a district Policy Committee, and may determine the name by which it is to be known in the District. The committee, by whatever name, shall fulfil the functions assigned to the district Policy Committee in the Deed of Union and Standing Orders and such other duties as the Synod may from time to time direct. In addition to the Chair of the District and the secretary of the Synod and any member of the Methodist Council nominated by the Synod, the committee shall

consist of a secretary and such other persons as the Synod shall determine.

The charity registration process - help!

The Resourcing Mission Office can provide guidance and help on the registration process. Contact Jean Haynes email haynesj@property.methodist.org.uk.

Have we a named and accessible person at Charity Commission who we can go to with our issues and problems.

The Commission has agreed that the first contact for any query is the Resourcing Mission Office NOT the Commission. This provides a constituency of approach for specific Methodist issues.

Is security of information sound?

We have been assured by the Commission that it is secure.

What information concerning managing trustees of a Methodist charity is in the public domain?

Only the names of Trustees is published - no personal details..

Are the Connexion still negotiating over the financial level at which Churches are required to Register?

The threshold for registration has been fixed at £100,000. The Commission will not review the threshold until 2011. It is expected that following this review the threshold will come down as it is the intention that eventually all charities will be registered with the Commission.

How often do trustees have to register? -

There is only one registration process but you will need to complete an Annual Return and send it with your Annual Report and Accounts. each year to the Charity Commission.

After registration will full accounts be required as part of the annual report?

Yes you will need to send your Annual Report and Accounts to the Commission each year.

Mapping the way forward - many circuits in talks at moment with neighbouring circuits. Can the current process of registration be deferred until large circuits are established?

The Charity Commission gave us leave to defer registration for circuits who were amalgamating in September 2009. If a circuit is proposing amalgamation in the future and its income is over £100,000 it must register now. (But refer to the Resourcing Mission Office if necessary)

Can Manchester produce a simple guide in one cover on building schemes?

The new Property Consents process will integrate a wide range of guidance into a single and straightforward IT process. The booklet 'Getting Started' is a useful place to start before logging on to the system.

In a circuit of small churches (or even all circuits) how could the Circuit be responsible for Property Finance and Trusteeship (as the circuit is currently responsible for staff and local Preachers)?

As the structures of Methodism are changing rapidly there is likely to be a greater focus on such issues. It is already possible for a local church to delegate trusteeship of its property to the Circuit Meeting. However, at present, Standing Orders provide a separate constitution for a local church and Conference would need to amend these to accommodate full trusteeship by the Circuit except, of course, where a church has closed.

Are Supers/Chairs being trained to deal with today's problems?

Superintendents receive training over several days, annually. This includes a wide range of issues including administrative, pastoral and property responsibilities and the role of a trustee. It is, however, brief and so a range of Connexional guidance is available on most subjects.

Knowledge at local level - lacking

There will always be local folk who are unfamiliar with standard practices but most local churches overcome this through encouragement, support and training of their co-trustees.

Not everyone is computer literate or at a sufficient level - and one may be "legally" acting alone.

Where IT processes involve authorising projects as in the new Property Consents process, there are built in safeguards which ensure an individual trustee is not acting alone.

Not everyone is in possession or able to access the internet/email.

This is certainly the case and we continue to make appropriate provision in producing paper resources too. It is also important, as in other areas of church life, for some members to help others in these cases

How can we best communicate financial issues to the Trustees in general?

The Standard Form of Accounts fulfil a good many of the charity's financial responsibilities. The publication Managing Trustees and Methodist Money, while now in need of revision, remains a valuable resource if you exclude the accounts section (The Standard Forms guidance now covers this)

If we make responsibilities clear who will agree to be a managing trustee as the Responsibility of Trustees perceived as being far more onerous?

Nothing has changed over many decades. Methodist trustees have always had such responsibilities and it is rare that they encounter undue risk as trustees. Usually such risk would only arise where trustees act individually or collectively in a rash or dishonest way.

Is there a "friendly" way of getting responsibilities across to Trustees in some detail without it being an onerous document

(somewhere between the draft booklet and the CPD extract)?

The leaflet 'The Role of a Trustee' is available on the Methodist website.

Do not want to lose members because they don't want to take on Trustee responsibilities.

See above

Need appropriate training for Trustees

The Resourcing Mission Office and Trustees for Methodist Church Purposes ran a series of trustee roadshows in June 2009 at four venues. As a result of which a new section is now available on the Methodist website. This is very much a 'work in progress' as we intend to add to it.

The booklet 'The role of a Trustee' is available on the Methodist website.

What level of understanding do we need Trustees to have? They don't need to know everything, but what is the minimum?

- *Read the new leaflet 'The Role of a Trustee'*
- *Talk to local members of the Church Council and to Circuit ministers*
- *Access Connexional guidance on a wide range of issues. (The Methodist website www.methodist.org.uk)*
- *Read Property Points regularly and Managing Trustees and Methodist Money (which is to be revised but still has valuable information)*

For new trustees and existing trustees who don't know what is involved. Information needs to be user friendly. How to check that trustees have (a) read the leaflet and (b) understand?

See above, and then, organise a Circuit or District event to talk together about your role as trustees.