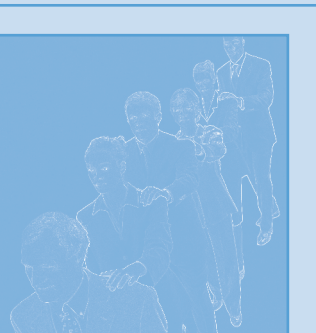




THE ROLE OF A TRUSTEE IN  
THE METHODIST CHURCH

# TOP TEN TIPS

- + Find out about your charity**
- + Observe the law**
- + Set clear mission aims and objectives**
- + Act responsibly and be accountable**
- + Follow the financial regulations**
- + Act with honesty and integrity**
- + Obtain professional advice when facing significant risk**
- + Be good stewards of charity property and funds**
- + Understand your constitution**
- + Make collective decisions**



# STEWARDSHIP OF OUR RESOURCES

The Bible tells us that a gift in administration is a gift from the Holy Spirit and it is within that context that the financial and administration work that is done for the Church is done in His name to promote His Kingdom throughout the world.

Without someone to look after this work in the Church, Christ's work would not be done. It is a great privilege to be involved in this aspect of Church life, but it carries with it certain responsibilities.

Managing trustees at local Church, Circuit and District levels need to be aware of these responsibilities.

Churches can, by closely following the guidance and instructions in this booklet, be confident that the high standards of stewardship that are expected will be met and maintained.

**HOWEVER, THE STANDING ORDERS (AND THE ACTS) THEMSELVES ARE THE FINAL AUTHORITY.**

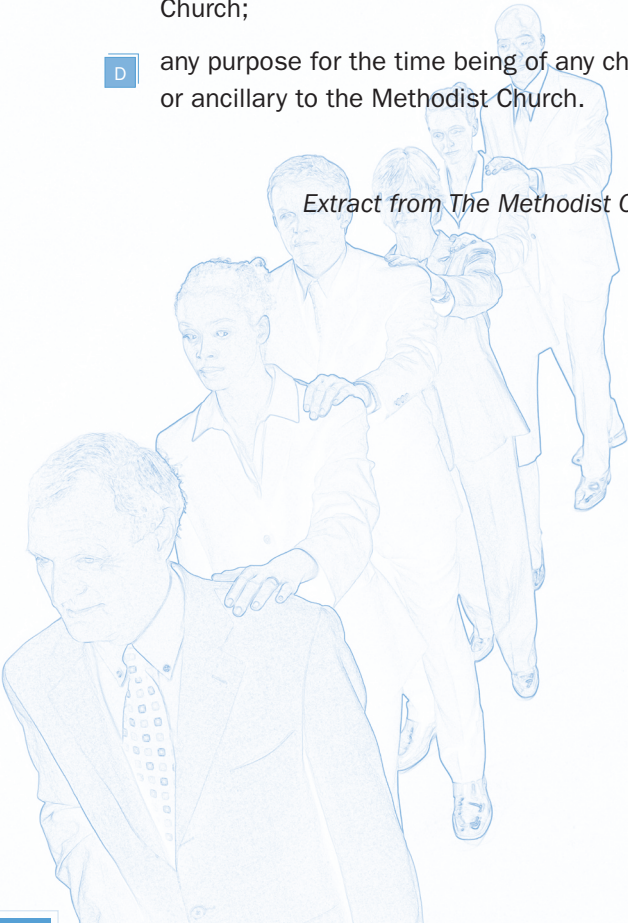
*Extract from Managing Trustees and Methodist Money*

# THE PURPOSES OF THE METHODIST CHURCH ARE

## The advancement of:

- A** the Christian faith in accordance with the doctrinal standards and the discipline of the Methodist Church;
- B** any charitable purpose for the time being of any connexional, district, circuit, local or other organisation of the Methodist Church;
- C** any charitable purpose for the time being of any society or institution being a society or institution subsidiary or ancillary to the Methodist Church;
- D** any purpose for the time being of any charity being a charity subsidiary or ancillary to the Methodist Church.

*Extract from The Methodist Church Act 1976 (CPD Volume 1)*



# THE ESSENTIAL TRUSTEE

*(Some quotations from the Charity Commission guidance)*

**FOREWORD:** Dame Suzi Leather (chair) and Andrew Hind (CE)

Charities have a remarkable history of driving social change.

Trustees have ultimate responsibility for running a charity, for its property, finances and employment of its staff or volunteers.

Trusteeship is immensely rewarding – opportunities for personal development – gain new knowledge and experience.

## CHARITIES

For public/community benefit.

Must have constitution or rules (Charity's governing document) (CPD – Constitutional Practice and Discipline of the Methodist Church).

## TRUSTEES

May be known as directors, board members, governors, committee members.

Responsible for general control and management of administration of a charity.

Must accept ultimate responsibility for directing affairs of a charity ensuring it is solvent, well-run and delivers charitable outcomes for benefit of public.

## COMPLIANCE

Ensure compliance with charity law and regulations.

Prepare Trustees Annual Report.

Act with integrity and avoid personal conflicts of interest.

## PRUDENCE

Special care when investing charity funds or borrowing.

## DUTY OF CARE

Obtain professional advice on all matters where there may be material risk to the charity or where trustees may be in breach of their duties.

## IF THINGS GO WRONG

Trustees may be personally liable for any debts or losses the charity faces. (Depends on circumstances and type of governing document.)

Personal liability is rare and trustees who follow this guidance will generally be protected.

## TRAINING

Learn as much as you can about the charity – read Annual Reports.

## COMPANIES

Take legal advice when contemplating forming a company.

## AGE

Trustees in England and Wales must be over eighteen (in Scotland – sixteen).

## INELIGIBILITY

If already disqualified or having convictions (for dishonesty or deception).

## DELEGATION

Is permitted but the trustee body must always retain ultimate responsibility

- eg – carrying out a decision
- investment of assets, including land
- raising funds.

## HOW TO MAKE DECISIONS

Decisions must be taken by trustees acting collectively and as a team. (Need not be unanimous.)

## **PAYMENT**

Charity trustees cannot receive payment for being trustees but may do so exceptionally for providing services to the charity eg plumber.

## **PROHIBITED BENEFITS**

Taking a lease of charity's property.

Borrowing money from the charity.

Making contracts to do business with the charity.

## **EMPLOYMENT**

Generally, trustees cannot be employees but there are exceptions in Methodist governing documents ie Standing orders covering constitutions (SO 410, 510, 610).

## **FINANCES**

Must ensure used appropriately, prudently, lawfully and in accordance with objects.

## **PRINCIPLES OF TRUSTEES**

Charity's expenditure must be applied fairly.

Income used within a reasonable period.

Act reasonably and prudently in all matters.

Avoid conflicts of interest.

# ABC OF TRUSTESHIP

A

## ACCOUNTABILITY

Be responsible for your actions

## ACCRUALS ACCOUNTS

Prepare if your income exceeds the threshold

## ANNUAL REPORT & ACCOUNTS

Complete on time every year

## ANNUAL RETURN

Submit to Charity Commission if your charity is registered

## ASSESSMENT (OR SHARE)

First call on the general church fund (SO 650(4))

## AUDIT

Obtain a professional audit if income/assets exceed the threshold

B

## BEST PRICE

Is required for any sale under Charity Law

## BUILDING MAINTENANCE

Complete Schedule "A" each summer

C

## CHARITY LAW

Keep up to date – check the Methodist website (or Charity Commission website or both)

## COLLECTIVE RESPONSIBILITY

Take decisions collectively, not individually

## CONNEXIONAL SUPPORT AND GUIDANCE

Available from the Resourcing Mission Office and Methodist Church House

## CONSTITUTION

See Standing Orders 410 (District), 510 (Circuit) & 610 (Local Church)

\* Fresh Expressions of Church must also have appropriate governance

## CONSENTS

You must obtain district consent before starting work on any property project

D

## DECISIONS

To be taken responsibly, with fellow trustees



E

### ESSENTIAL TRUSTEE

See Charity Commission website.  
Invaluable guidance for charity trustees

F

### FINANCES

Comply with Standing Order 012  
and prepare Annual Accounts

### FUNDING/FUNDRAISING

Help and guidance available from  
the Resourcing Mission Office

G

### GRANTS

Contact Resourcing Mission  
Office (Property grants and  
external funding)/Methodist  
Church House Grants Officers  
(Ministry and Mission)

H

### HEALTH and SAFETY

Check connexional help and  
guidance on website

I

### INDUCTION

Arranging induction for all  
trustees is good practice

### INDEPENDENT EXAMINATION

Appoint an examiner if your  
income/assets are below the  
audit threshold

J

### JUDGEMENT

Good trusteeship depends upon  
good judgement

K

### KEY PERSONS

Make plans for the replacement  
of key people, when required, or  
arrange a substitute or deputy

L

### LEGAL RESPONSIBILITIES

Obtain professional advice  
locally and consult Trustees  
for Methodist Church Purposes  
about Methodist practice

### LIABILITY

Ensure that all liabilities incurred  
are fully assessed beforehand

### LOANS

Take advice on terms and  
conditions and do not  
overstretch the charity's  
resources

**M****MANAGING TRUSTEESHIP**

The responsibility for repair and maintenance of the property

**MODEL TRUSTS**

These set out the purposes for which Methodist property is held

**N****NEW MISSION OPPORTUNITIES**

Be aware of the mission context for your charity

**O****OVERSIGHT**

Both ministerial oversight and lay stewardship of people, property and money

**P****PERSONAL LIABILITY**

Be aware that taking decisions alone or injudiciously may lead to personal liability

**PROFESSIONAL ADVICE**

Seek such advice where there is a significant potential risk involved, financially, legally or otherwise

**PROPERTY**

Follow connexional guidelines via the IT Consents Process on the Methodist website

**Q****QUINQUENNIAL INSPECTION**

Ensure there is a planned programme for the whole circuit over a five year period

**R****RECEIPTS AND PAYMENTS**

Prepare Annual Accounts on this basis where the income of the local church is below the Accruals threshold

**REGISTRATION**

Every Methodist charity will be required to register at the point that its income exceeds the registration threshold

**RESERVES POLICY**

Establish a Reserves Policy  
– See connexional guidance  
– Methodist website

**RISK ASSESSMENT**

See Resourcing Mission Office guidance

**S****STANDARD FORM OF ACCOUNTS**

To be completed annually or  
Compliant set of accrual accounts prepared by a qualified professional (but use OSCR's receipts and payments form in Scotland)

## STANDING ORDERS

The means by which the Conference as governing body of the Church sets out its requirements for trustees

## STEWARDSHIP

As trustees, the assets of the charity are in your care and are your responsibility.

## T

## TRAINING

Training for trustees is good practice

## TRUSTEE LIABILITY

See the leaflet Managing Trustees and their Responsibilities – on the Methodist website

## TRUSTEE RESPONSIBILITY

Trustees should be aware of all areas of their responsibilities

## U

## UNDERVALUE

Exceptionally, it may be possible to sell property at less than full value

## UNFORESEEN EVENTS

Carry out a risk assessment when planning projects and allow for contingencies

## V

## VALUATION

Obtain a Surveyor's Report before considering a sale of Methodist property

## W

## WORSHIP

Undergird your trusteeship with worship and prayer

## X

## X – SYMBOL FOR CHRISTIAN

The advancement of the Christian faith is the primary purpose of The Methodist Church

## Y

## YOU

You are responsible for your own actions

## Z

## ZION

The ultimate destination for all who serve Almighty God

## cc\*TRUSTEES HAVE FULL RESPONSIBILITY FOR THE CHARITY AND MUST:

- +** act together and in person and not delegate control of the charity to others;
- +** act strictly in accordance with the charity's governing document;
- +** act in the charity's interests only;
- +** manage the charity's affairs prudently and take a long-term as well as a short-term view;
- +** not derive any personal benefit or gain from the charity of which they are trustees;
- +** take proper professional advice on matters in which they are not themselves competent.



## cc\*TRUSTEES WILL BE PUT AT RISK OF PERSONAL LIABILITY ONLY IF THEY:

- ✚ cause loss to the charity by acting:
  - unlawfully,
  - imprudently *or*
  - outside the terms of the charity's governing document(s);
  
- ✚ **commit the charity to debts which amount to more than its assets;**

Trustees may in some circumstances insure against such liability.

# cc\*TRUSTEES ARE RESPONSIBLE FOR ALL THE OPERATION OF THE CHARITY, ESPECIALLY IN:

 managing the charity's finances;

 applying the charity's income for charitable purposes only;

 managing land or buildings;

 investing funds;

 employing people;

 appealing for funds;

 ensuring that all the charity's property is under the control of the trustees;

 collecting all money owed or due to the charity, including tax and rating reliefs.

\* Adapted from the publication *Responsibilities of Charity Trustees – A Summary* by permission of the Charity Commission on behalf of the Controller of HMSO.

A full list of Charity Commission publications is available from the Charity Commission website: [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk).

## NOTES

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### Useful website addresses

Charity Commission England and Wales      [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk)

Office of the Scottish Charity Regulator (OSCR)      [www.oscr.org.uk](http://www.oscr.org.uk)

The Methodist Church      [www.methodist.org.uk](http://www.methodist.org.uk)

Methodist Insurance      [www.methodist-insurance.co.uk](http://www.methodist-insurance.co.uk)



