THE ROLE OF A TRUSTEE IN THE METHODIST CHURCH
TOP TEN TIPS

1. Find out about your charity
2. Observe the law
3. Set clear mission aims and objectives
4. Act responsibly and be accountable
5. Follow the financial regulations
6. Act with honesty and integrity
7. Obtain professional advice when facing significant risk
8. Be good stewards of charity property and funds
9. Understand your constitution
10. 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 TRUSTEESHIP

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 responsibility, with fellow trustees
ESSENTIAL TRUSTEE
See Charity Commission website. Invaluable guidance for charity trustees.

FINANCES
Comply with Standing Order 012 and prepare Annual Accounts.

FUNDING/FUNDRAISING
Help and guidance available from the Resourcing Mission Office.

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

HEALTH and SAFETY
Check connexional help and guidance on website.

INDUCTION
Arranging induction for all trustees is good practice.

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

JUDGEMENT
Good trusteeship depends upon good judgement.

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

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.
MANAGING TRUSTEESHIP
The responsibility for repair and maintenance of the property

MODEL TRUSTS
These set out the purposes for which Methodist property is held

NEW MISSION OPPORTUNITIES
Be aware of the mission context for your charity

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

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

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

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

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.

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

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

VALUATION
Obtain a Surveyor’s Report before considering a sale of Methodist property

WORSHIP
Undergird your trusteeship with worship and prayer

X – SYMBOL FOR CHRISTIAN
The advancement of the Christian faith is the primary purpose of The Methodist Church

YOU
You are responsible for your own actions

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.
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.
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.
Useful website addresses

Charity Commission England and Wales  www.charity-commission.gov.uk
Office of the Scottish Charity Regulator (OSCR)  www.oscr.org.uk
The Methodist Church  www.methodist.org.uk
Methodist Insurance  www.methodist-insurance.co.uk