

The Methodist Property Office – Resourcing Mission

Use of Methodist Funds to Make Grants/Donations/Loans for Methodist Purposes and to Non-Methodist Organisations	information
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It has always been possible for Methodist Churches, Circuits and Districts to make donations to external organisations and charities out of their general funds and many make annual donations to other charities.

Model trust funds, on the other hand, have hitherto been more restricted in their use. The Model trusts contained in the Methodist Church Act 1976 allow the Conference to decide what is capital and what is income. Thus, proceeds from the sale of property are model trust funds defined as capital.

The purposes and use of such funds has hitherto been restricted to certain purposes e.g. the former Circuit Advance Funds (CAF) were primarily used to make grants for capital projects.

In recent years much greater use of CAF funds has been made to support ministry and mission projects by way of grants and until 2009 the approval of the District was required before the funds could be released.

Changes to Standing Orders effected by the 2009 Conference mean that the Standing Orders now permit managing trustees to withdraw model trust funds in order to make payments to other bodies and organisations without the requirement for another body, such as the District, or any Connexional authority, to give approval.

The notes below set out, briefly, the different categories of payment that can now be made and the processes required.

Grants for Property Projects

Where payments are to be made to make grants for a property project or development the custodian trustees will release the monies in question once District Consent for the project has been given. Such projects are authorised via the IT Consents Process.

There is, however, no longer any provision in Standing Orders that such use of funds requires separate approval. Nevertheless it is not permissible for the project itself to start until Consent is given.

Ministry and Mission Grants

Where a grant is to be made for ministry and mission such as payment of a youth worker's salary, then the managing trustees may simply authorise such a payment themselves using the custodian trustee's application form to withdraw funds.

Any Other Payment for Methodist Use/Purposes

The Standing Orders then describe a wide range of other purposes and uses of model trust money (SO 917).

These include: repair and maintenance of the trust property; the promotion of the work of God in the relevant church organisation; any other charitable purpose of the relevant church organisation.

While Conference still defines what is capital and what is income the Standing Orders nevertheless allow the managing trustees of the funds to use them for any

of the purposes of the charity, whether the funds are capital or income.

Such monies may be withdrawn using the standard withdrawal form.

Use of Methodist Funds to Make Payments to Non-Methodist Bodies

Local Churches, Circuits and Districts are charitable organisations whose objectives are exclusively charitable. As more and more of the charities within our Connexion become registered charities they must show that they honour those charitable objects through their mission aims and activities.

It is, therefore, incumbent upon all trustee bodies to act as good stewards of the funds which come into their hands and to recognise that money is given to support the work of the Church.

Nevertheless, as part of their mission, Methodist charities may also recognise worthwhile causes and organisations within their communities which they deem worthy of their support, and which they see as supporting their own mission purposes.

Given the greater flexibility now afforded to managing trustees for the use of Methodist Model Trust Funds, the Law & Polity Committee has clarified the wider purposes for which such Methodist funds may be used.

In general terms, grants, donations and loans are permissible to non-Methodist bodies using general funds of the trustees or model trust funds, and where such a payment is not contrary to Methodist purposes.

In respect of the DAF, the fund's primary purposes must first be satisfied i.e. grant commitments for property projects, ministry and mission, and for ecumenical work.

The trustees must also ensure, that payments are not made for purposes which conflict with the purposes of the Methodist Church. Examples would be for an atheist charity which promoted disbelief in the Christian faith, or a non-Christian faith-based charity promoting non-Christian worship.

Similarly, the latter exclusions would also apply in the case of a Circuit or local church.

A Circuit Meeting would need to take account of its primary purposes as set out in Standing Orders and consider its existing commitments to make grants for property and ministry and mission projects.

For a local church, the priorities are set out in SOs 650-653 and the first charge on the general church fund shall be the sums required of the local church by the assessment of the Circuit Meeting.