

# RESPONSIBILITIES OF THE MANAGING TRUSTEES (updated 3/10)

Main Points - this part emphasises that:

- each local Church is accountable for the stewardship of its resources (5)
- those resources include buildings and money (6)
- some matters require consent from other bodies (7)
- personal liability will not arise if you act responsibly (8)
- trustees have particular responsibilities (9)

## 5 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 those responsibilities.

Churches can, by closely following the guidance here, 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***

**The Charities Act 2006** makes clear that all charities are accountable to the public for the resources they control. It seeks to provide a framework within which charitable organisations, which receive funds for public benefit, can demonstrate to the public that they have observed the trust placed in them in the handling and use of those funds. The Act brings into focus the way in which we carry out the financial administration of the Church. The importance of good stewardship cannot be over-emphasised.

## 6 Church Council responsibilities (Section 61, CPD)

You may have become a member of the Church Council on the nomination of the General Church Meeting or perhaps of one of the committees of the Church because it is thought that you can represent them well. As a member of the Church Council you will share in the responsibility of overseeing and leading the Church in:-

- a) the care of its members
- b) its outreach, especially to those on the community roll
- c) planning its policy
- d) **its financial commitments**
- e) **the care of its property (including money) (SO 603)**

Naturally some of those tasks will hold a greater appeal for you than others. Nevertheless, the whole work of the Church Council is shared by its members and provided you have reached the legal age of

majority, as a member of the Church Council, you are a managing trustee.

## 7 The IT Property Consents process

Local Churches, Circuits and Districts wishing to carry out a property project must obtain District Consent via the IT Property Consents process.

Details are available on the Methodist Church website under property consents.

To use the Property Consents website go to: <https://propertyconsent.methodist.org.uk...>

## 8 Legal liabilities

### **WHAT LEGAL LIABILITY IS ACCEPTED BY BECOMING A MEMBER OF THE CHURCH COUNCIL, AND THEREFORE A MANAGING TRUSTEE OF METHODIST PROPERTY?**

The general rule is that Managing trustees are not liable for involuntary loss, nor are they accountable for more money than comes into their hands or responsible for the repair of the buildings beyond the funds available or supplied. Thus, provided you fulfil your trust (i.e. you look after the trust estate) or ensure that it is cared for and only used for permitted purposes you will not incur any legal liability. However, like all trustees, you have a legal responsibility to see this is done.

Normally, only if there is a breach of trust or a neglect of it, is there any possibility of legal liability. However, it should be borne in mind that where, quite properly, trustees enter into positive legal commitments (e.g. building contracts, bank guarantees) they will become personally liable for monies due thereunder to the extent that the realisable assets of the trust are insufficient to meet the same. Realisable assets include cash, shareholdings, money in the bank, buildings of which you are trustees and any other property. Trustees should protect themselves by seeking professional advice in appropriate circumstances.

If the building is listed or in a conservation area, there are legal penalties and personal liability if you, as a member of the Church Council, allow alterations to be made to the building without District Consent, which will include in these cases, consent from the Connexion.

Full details about the duties of managing trustees and of the legal basis of the Methodist Church are to be found in the Constitutional Practice and Discipline of the Methodist Church. Your minister has a copy if you wish to refer to it or it can be accessed on the Methodist website at [www.methodist.org.uk](http://www.methodist.org.uk).

## 9 A summary of trustee responsibilities

Trustees and their Responsibilities		
Trustees have full responsibility for the charity and must	Trustees will be put at risk of personal liability ONLY if they	Trustees are responsible for all the operation of the charity especially in:
<ul style="list-style-type: none"> <li>act together and in person and not delegate control of the charity to others</li> <li>act strictly in accordance with the charity's governing document;</li> <li>act in the charity's interests only;</li> <li>manage the charity's affairs prudently and take a long-term as well as a short-term view;</li> <li><b>not</b> derive any <b>personal benefit</b> or gain from the charity of which they are trustees;</li> <li>take proper <b>professional advice</b> on matters in which they are not themselves competent</li> </ul>	<ul style="list-style-type: none"> <li>cause loss to the charity by acting: unlawfully, imprudently or outside the terms of the charity's governing document(s)</li> <li>commit the charity to debts which amount to more than its assets.</li> <li>trustees may in some circumstances insure against such liability.</li> </ul>	<ul style="list-style-type: none"> <li>managing the charity's finances (CC 51/52)</li> <li>applying the charity's income for charitable purposes only (e.g. CC 11 Remuneration of trustees)</li> <li>managing land or buildings(CC18/28/33)</li> <li>investing funds (CC14/32)</li> <li>employing people</li> <li>appealing for funds (CC20/20a)</li> <li>ensuring that all the charity's property is under the control of the trustees (CC8);</li> <li>collecting all money owed or due to the charity, including tax and rating reliefs</li> </ul>

This is by permission of the Charity Commission on behalf of the Controller of HMSO.

Other Charity Commission leaflets are referred to in brackets.

A full list of Charity Commission publications is available from the Commission (0870 333 0123) and is given on the Commission's website: [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk).

Note: Under our trust instruments managing trustees may delegate all or specific powers to others but remain ultimately in control of the charity (*see Model Trust 16k*).