

Releasing Money for God's Mission

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Status of Paper	Final
Action Required	For Decision
Recommendations	See end of report

Summary of Content

Subject and Aims	The 'Releasing Money for God's Mission' working party considered and proposes guidelines to ensure that churches do 'release money for God's mission'.
Background Context and Relevant Documents (with function)	<ul style="list-style-type: none"> • The 2013 Conference received three memorials (M15/16/17) 'Releasing Money for God's Mission' and instructed the Methodist Council to form a working group to consider the issues that were raised, and to report back to the Conference no later than 2015. • <i>Releasing Resources For Mission: Review of Circuit and Other Advance Funds</i> Conference Agenda 2004 • MC/14/38 and MC/14/89 regarding the reserves policy for the Connexional Priority Fund (CPF)
Consultations	<ul style="list-style-type: none"> • Some Circuit and District Treasurers

Releasing Money for Gods Mission Working Party Report

Memorials M15/16/17

1. The 2013 Conference received three memorials (M15/16/17) [See Appendix] that were broadly the same under the heading 'Releasing money for God's mission'. It adopted a single reply to all three, in which it agreed with some of the points that were made and in addition instructed the Methodist Council to form a working party to consider the issues that were raised and to report back to the Conference no later than 2015. The Conference's reply to the memorial is detailed below.

Reply

2. *The Conference thanks the Chester and Stoke-on-Trent Synod for highlighting the need for churches, Circuits and Districts to ensure that the funds that they hold are maximised for use in God's mission. It reminds District Policy Committees of their responsibility under Standing Order 955(7) to review the state of Model Trust funds held by each Circuit at least every three years and to propose to Circuit Meetings that they transfer money to support projects elsewhere within the District.*

The Conference also reminds trustees of all Methodist money that it should be held in accordance with regularly reviewed reserves policies, which should ensure that trustees do not allow their reserves to be inappropriately high.

Each church is required to submit its annual accounts to the Circuit Treasurer and each Circuit to the relevant District Treasurer. There are no rules which prevent Circuit Treasurers from compiling a summary of the funds held by each church in the Circuit and forwarding them to District Treasurers, or for District Policy Committees to request such information. Such a practice may be seen as embodying the Methodist Church's connexional nature.

However, the Conference also recognises that a coherent approach across the Connexion may be of maximum impact in releasing money for mission so it instructs the Methodist Council to form a working party to consider the issues raised by memorials M15, M16 and M17 and to report back to the Conference no later than 2015.

Introduction

3. The group gathered information from several district treasurers on the reserves that individual churches hold. This enabled it to gain an insight into how churches operate their funds and what level of reserves individual churches within circuits held. The Working Party discovered many examples of churches using funds imaginatively; often within the context of effective circuit mission plans – with much evidence of good practice. However it also discovered instances of some churches holding significant levels of funds with no discernible plan; sometimes where sadly the level of reserves were significantly higher than the remaining congregation could realistically deploy.
4. A report, *Releasing Resources for Mission: Review of Circuit and other Advance Funds*, which considered future mission strategy and the use of finance, personnel and property was presented to the Conference in 2004. The Conference adopted the report, with three amendments. It is

notable that the report stated: *'For too long it has been thought that saving all we can meant hanging on to savings and investments often in preparation for a mythical "rainy day". The priority of mission ought to mean that the focus of the use of our resources is an outward movement, more in tune with John Wesley's "give all you can." The priority for the use of our resources is not the maintenance of what we have, but the support of work in the service of God's mission in the world.* [section 5, paragraph 3]

A key feature of the Methodist Church, as a connexional Church, is the sharing of money and resources. It is not a model based on individual churches acting in isolation. This view is echoed in A Generous Life's 'Theological Foundation' paper which states:

'Connexionalism itself can be seen as an example of generosity. Connexionalism is about sharing resources, rather than local churches pursuing their own growth and development in isolation from other churches and without concern for the wellbeing of other communities within Christ's Church. Connexionalism also enables the distribution of resources in a way that recognises and responds to the greatest areas of need within the Church. This can make Paul's teaching on the Body of Christ (1 Cor 12) a greater reality.'

It is apparent from the work of this Working Party and the 2004 Conference report on resources and mission that concerns of a possible 'rainy day' have often limited churches' vision and ability to discern their mission and their growth as a result. Churches should be encouraged to harness their mission potential by making best use of their resources, which this report aims to do via the recommendations it makes to the Council.

Stewardship

5. As Christians, it is recognised that being accountable for our buildings and money is an important part of being effective stewards. It is important not only that we are accountable, but also transparent; properly discharging the duties of charity trustees. Guidance and tools that assist with the management of funds should be encouraged and utilised. Equally important is the process by which churches decide what level of reserves to hold and assistance needs to be provided for them to determine this within the context of the circuit and their place within it.

Reserves

6. The direction of travel from the General Secretary's reports to the Conference in the last few years has focussed on the relationship between stewardship and discipleship and mission. An effective reserves policy is a useful tool in achieving this. To this end, the Releasing Money for God's Mission Working Party revised the Church's guidance on this. The guidance was rewritten to assist Church Councils and Circuit Meetings as trustee bodies to prepare and assist in managing their reserves well, and to ensure that the reserves benefit the mission of the church/circuit as part of the wider Connexion. The Accountancy Support Group endorsed the new reserves policy guidance, which is located on the Methodist Church website as part of the Standard Form of Accounts.

Enabling churches to maximise the benefit of their funds

7. Recommendations regarding governance of monetary resources need to be combined with appropriate planning of mission. This is in line with Charity Commission guidance. The Church's mission fields are its communities, and the foundations are our Local Churches. If we expect to release resources for mission we need Local Churches to be led, inspired, empowered and enabled to use the resources at their disposal. Often this is seen as too difficult because it is not

tangible – there is often no planning and very little mission. Some congregations are afraid to fail or waste precious resources, failing to recognise the adage that “if we always do what we always did, we will always get what we always got” hence inertia and a lack of growth as churches settle into a mode of at best maintaining the status quo.

8. Circuits and churches need to be encouraged to develop simple, realistic mission plans and medium term strategies covering a three to five year cycle. Basics should include who they are, what they do now, what they discern God is calling them to do in future. Added to that is what they need in order to do it, what they can do with what they have got and who do they need to help them? This can be accompanied by an accountability process to monitor funds, such as the District Policy Committee or equivalent body. Resources cannot be deployed effectively without such planning having been undertaken. Success factors and timeframes need to be simply stated like when will we do X, Y and Z; what do they expect the outcome to be and how will it be measured? How will they learn from their successes and failures? Encouragement to develop such strategies, and designate money to support them, is already incentivised by links to exemption from levies on Circuit Model Trust Funds under SO 955.
9. The Working Party recognised that Districts have the opportunity to encourage this development and implementation of mission plans via their use of District Advance Funds (DAFs). When considering applications for grants from DAFs, they should require Circuits to demonstrate not only effective plans, but also that their constituent churches are all pooling resources; not that one or two are retaining excessive reserves. The award of such grants should be conditional upon feedback regarding success factors and learning outcomes from mistakes/failures and problems experienced. Small degrees of shift can make a difference locally but doing nothing should not be an option. Therefore it is recommended that the Connexional Grants Committee looks more closely at such means to encourage the releasing of local resources for local mission, via its awards from connexionally held funds, but also the distribution of Connexional Priority Fund levies via DAFs. At its meeting in April 2014 the Council resolved that the long-term uncommitted reserves level of the Connexional Priority Fund (CPF) should be £5m. They currently stand at just under £10m, meaning that the Council is in the process of deciding a process for reducing the level of reserves accordingly. In order to promote mission locally, one of the Working Party’s recommendations to the Council is that the balance of the Connexional Priority Fund (CPF) is reduced to the newly adopted reserve level of £5m by increasing the amount distributed to the DAFs over three years.

Connexional Funds

10. The Working Party welcomes the fact that the Council has adopted a new Reserves Policy for connexional funds and that as a result grant budgets from the Mission in Britain Fund and the Fund for Property are planned to be higher for the next three years. However, it is understood that work is underway on a Reserves Policy for all restricted funds coupled with strategic policies for the use of all funds. We trust that this will result in the Council adopting a policy that will ensure its funds are always used effectively for mission and ministry, and thus leading by example.

Bequests/Restricted Funds

11. There are circumstances where churches have money that is tied up in trusts originating from bequests or other restricted funds. Sometimes consent is required from the Charity Commission to release them, sometimes not. Research of funds held by Trustees for Methodist Church Purposes (TMCP) found that in total there are £343m under management within 7,340 trusts. Of

these £172m is held on behalf of churches and Circuits. These are held in 7,022 trusts of which 4,269 (58%) have balances of less than £10,000.

12. The Working Party is recommending that the Council encourages churches to investigate the possibilities for freeing up all such money, and in the cases which involve TMCP; the Working Party is recommending that local churches, circuits and districts work with TMCP to free up funds. It recognises that this is additional specialist work which needs to be properly resourced and asks that the Council makes funding available from a connexional fund, such as the Epworth Fund, in order to facilitate it. It is estimated that £60,000 over two years would provide sufficient input on behalf of the Council on a consultancy basis. The Chief Executive of TMCP has indicated support for such a project.

Obstacles to Releasing Money for God's Mission?

13. Despite the connexional nature of the Methodist Church, resistance to releasing money may be voiced by churches/circuits that do not think that other parts of the Connexion should interfere in how they spend 'their' funds. They may also think that their money should not be redirected to other churches/circuits, as a result of them not having a detailed reserves policy which accounts for their spending.
14. A mechanism currently exists that partly addresses this situation as a contribution is made at the end of each year under SO 955(6) to district Advance Funds from monies held in Circuit Model Trust Funds. The Working Party noted, however, that no such mechanism exists relating to model trust funds held on behalf of individual churches, which is one of the key points raised within these memorials. It therefore recommends, that the scope of SO 955(6) should be extended to include local church Model Trust Funds, so that monies held that are not being used for mission can be channeled into DAFs for distribution to where they can be used most effectively in mission within the district.

Summary

15. There is existing guidance on ensuring that funds held by churches/circuits/districts can be maximised for use in God's Mission and its greater use is encouraged. As the response to memorials 15, 16 and 17 stated, *'there are no rules which prevent Circuit Treasurers/District Policy Committees from compiling/requesting a summary of the funds held by each church in the Circuit.'* However, it is understood that the Conference has a role in assisting them in managing their funds, by advocating good stewardship and the implementation of this by the preparation and monitoring of a reserves policy. Although it is the managing trustees of churches and circuits who hold the responsibility to ensure that they are managing their funds well, they do this in the context of their place in the connexion under the leadership embodied by the Conference. Assistance to carry out this task using the tools available would ensure awareness of funds and the opportunity to allocating them for God's mission effectively in the locations of greatest need or potential fruitfulness.
16. The Releasing Money for God's Mission Working Party therefore proposes that the Council makes the following recommendations to the Conference.

Recommendations

The Council is asked to consider the following recommendations:

1. Circuit Treasurers should be required annually to compile a summary of all monies and investments held by each church in the Circuit and forward them to District Treasurers attached to the Standard Form of Accounts . This will ensure that decisions regarding the award of grants and allocation of resources are based on a complete picture of the financial situation of each individual church.
2. Standing Orders should be amended so that SO 955 (6)(a) is extended to include Model Trust money held by individual churches. The first sentence should be amended as follows [new wording in bold italic], with the remainder of SO 955 unchanged.

SO 955(6)(a) Subject to sub-clause (b) below a contribution shall be made annually to the relevant district Advance Fund from the model trust capital money held in each Circuit ***and Local Church*** at the end of the year as follows:

3. The Trustees for Methodist Church Purposes (TMCP) should be asked to work with churches to release funds/help churches to release endowment/bequests. Resources to assist this process will be included by the Council within the Connexional Central Services Budget as outlined.
4. That the Council implements its existing decision to reduce the balance of the Connexional Priority Fund (CPF) to a reserve level of £5m by increasing the amount distributed to District Advance Funds (DAFs) for the next three years. [The Working Party understands that a debate on this issue will be held as part of the Council's business when it meets in January 2015.]

***RESOLUTIONS

14/1. The Council receives the report.

14/2. The Council makes recommendations 1, 2, 3, 4 to the Conference.

(The Council will be invited to vote separately on the recommendations if it so wishes.)

Appendix – Memorials 15/16/17 (2013)

M15 Releasing Money for God's Mission

The Chester and Stoke-on-Trent District Synod (R) (Present: 131; Voting: 127 for, 4 against), mindful of the warnings found in Matthew 25:14-30 and Acts 5:1-6, and enthused by the *General Secretary's Reports* to the Conferences of 2011 and 2012, with their call to reshaping for mission, renewing focus on being in Connexion and to the responsible use of resources, believes it desirable to increase openness and transparency regarding monies held within church and circuit funds. Such transparency will help to create confidence in the Circuits within the Connexion in their ability to engage in ongoing ministry, mission and growth.

The Synod notes that every church is already required to submit a standard form of accounts, together with a reserves policy, for circuit approval annually by 31 March. The Synod therefore believes that the information thus obtained should be made good use of by the following means:

- a) Circuits should compile in one document a list of all the funds, however described and wherever held, and reasonable, agreed reserves of each church in the Circuit, and present it to the Circuit Meeting. This will make transparent to the meeting the funds available for ministry, mission and growth in the Circuit and help to dispel the myth that there is insufficient money to engage in new work.
- b) A conversation should be held annually between appropriate people in each church and the Circuit, prior to 31 August to develop and plan for the ways in which funds that are in excess of such reasonable, agreed reserves may be used for ministry, mission and growth in the Circuit (or local mission area in a large Circuit). Details of such plans, accompanied by the aforementioned circuit document and the circuit accounts, should be submitted annually to the District Policy Committee, or equivalent, by 31 December of the same year. This will enable Districts better to fulfil the requirements of Standing Order 955(7) to fund mission initiatives across the District.

The Synod urges the Conference to enact, as soon as possible, such procedures as would give effect to this memorial, thereby giving greater effect to the responsible use of resources across the Connexion.

Reply

The Conference thanks the Chester and Stoke-on-Trent Synod for highlighting the need for churches, Circuits and Districts to ensure that the funds that they hold are maximised for use in God's mission. It reminds District Policy Committees of their responsibility under Standing Order 955(7) to review the state of Model Trust funds held by each Circuit at least every three years and to propose to Circuit Meetings that they transfer money to support projects elsewhere within the District.

The Conference also reminds trustees of all Methodist money that it should be held in accordance with regularly reviewed reserves policies, which should ensure that trustees do not allow their reserves to be inappropriately high.

Each church is required to submit its annual accounts to the Circuit Treasurer and each Circuit to the relevant District Treasurer. There are no rules which prevent Circuit Treasurers from compiling a summary of the funds held by each church in the Circuit and forwarding them to District Treasurers, or for District Policy Committees to request such information. Such a practice may be seen as embodying the Methodist Church's Connexional nature.

However, the Conference also recognises that a coherent approach across the Connexion may be of maximum impact in releasing money for mission so it instructs the Methodist Council to form a working party to consider the issues raised by memorials M15, M16 and M17 and to report back to the Conference no later than 2015.

M16 Releasing Money for God's Mission

The Birmingham District Synod (R) (Present: 121; Voting: 112 for, 4 against) has taken notice of the 2011 and 2012 *General Secretary's Reports* to Conference and believes it is desirable to increase openness and transparency regarding the funds held within individual churches and Circuits. Such transparency will help to create confidence in the Circuits within the Connexion in their ability to engage in ongoing ministry, mission and growth.

The Synod notes that every church is already required to submit a standard form of accounts, together with a reserves policy, for circuit approval annually by 31 March. The Synod therefore believes that the information contained in these accounts should be used as follows:

- a) Circuits should compile, and disclose annually to the Circuit Meeting, a schedule showing a list of all the funds held, however described, and the amount of reserves (and the reserve policy) of each church in the Circuit. This will assist the Circuit Meeting in using the funds available for ministry, mission and growth in the Circuit.
- b) These Circuit schedules should be submitted annually to the District Policy Committee, or equivalent, by 31 December of the same year. This will enable Districts better to fulfil the requirements of Standing Order 955(7) to fund mission initiatives across the District.

Reply

The Conference adopts the same reply as M15.

M17 Releasing money for God's mission

The York and Hull District Synod (R) (Present: 93; Voting: 81 for, 12 against) requests that consideration be given by the Methodist Council to enabling and encouraging the principle of releasing unallocated monies from unrestricted funds held by churches, Circuits and Districts for the purpose of encouraging mission within the respective Districts. This would be an expression of common commitment to sharing in God's mission and in line with biblical imperatives (remember the servant who buried his master's treasure). In accordance with our teaching, the Methodist Council is also asked to consider ways in which the Church is enabled to enter into a deep and meaningful conversation on the way in which it uses its future financial resources at all levels.

Reply

The Conference adopts the same reply as M15.