

Connexional Funds' Treasurers

MC/24/32

Date of meeting	13-15 April 2024
Contact name and details	Matt Tattersall – Executive Director of Finance and Resources tattersallm@methodistchurch.org.uk
Action required	For approval
Resolutions	32/1. The Council receives the report. 32/2. The Council recommends that the requirement for all church donations to connexional funds to be directed through the Connexional Funds' Treasurer is ended; that the requirement for a report to the circuit meeting on donations to connexional funds is dropped; and that the necessary amendments are made to Standing Order 505.

Summary of content

Subject of aims	To propose changes to the role of connexional funds treasurer.
Main points	The role of connexional fund treasurers has been reviewed along with the associated processes. A more efficient method of donating is proposed.
Consultations	District Treasurers All treasurers via the Finance Newsletter Finance Subcommittee Strategy and Resources Committee

Summary of impact

Financial	There will be staff time savings from the proposed changes and future costs of system changes avoided.
Wider connexional	There might be unintended consequences of changing a longstanding role within the Church. A lack of understanding about the change might have a reputational impact.
Risk	There is a risk that the changes lead to a reduction in giving to the main connexional funds of the Church.

Connexional Funds' Treasurers

- 1 One of the more complex tasks that the Finance Team undertakes is the production of circuit income reports. These reports detail the donations that circuits have made into the seven main connexional funds.
- 2 There is a need to replace the Donor Strategy system that produces these reports as the version used is likely to become unsupported by the supplier. It is also part of the wider IT strategy to move such systems onto Microsoft Dynamics 365 and to integrate with the new connexional database. There will be a significant cost to providing the circuit income reports in any new system given their bespoke nature. The Finance Team feels that these reports have outlived their usefulness and involve a considerable amount of staff time; therefore, it is proposed to avoid these costs and cease producing these reports.
- 3 These reports support the work of the Connexional Funds' Treasurers. Under SO 505, Circuit Meetings are expected to "appoint a connexional funds treasurer, who shall receive from the Local Churches and private subscribers collections and gifts for those connexional funds for which no treasurer with specific responsibility is appointed." Furthermore, "A report on each connexional fund, by way of audited accounts, shall be presented to the Circuit Meeting by the treasurer specifically responsible for that fund, or if there is none then by the connexional funds treasurer."
- 4 In practice, these arrangements vary across the connexion. Some circuits have a treasurer for each connexional fund; others have one treasurer for all connexional funds; in others, the circuit treasurer covers the responsibility, and in some circuits the role is vacant. Like so many other roles in the Church, it is increasingly difficult to find volunteers.
- 5 Circuits pay in cheques and cash donations for the connexional funds using pay-in books that are individually numbered (this allows the Finance Team to allocate each donation to the relevant circuit). Other circuits and churches transfer donations to the fund accounts when they do online banking and they add their circuit reference or names in the narrative – again this allows the allocation of such donations to circuits.
- 6 Traditionally, churches were asked to send donations to their connexional fund treasurers for them to use numbered pay-in books, to ensure that all donations are attributed to circuits. However, some churches bank these donations directly into connexional accounts using generic pay-in slips. The information on the bank statements does not indicate the church name and therefore these cannot be allocated to circuits. Circuits typically expect the Finance Team to investigate all church donations and allocate accordingly for their circuit income report. This often involves asking HSBC for archived copies of pay-in slips and then looking up information in the connexional database. This process is very time consuming and does not add any value other than allowing connexional fund treasurers to meet the Standing Order concerning the requirement for audited accounts.
- 7 A further problem with the current system is the closure of local banks and the difficulty in banking cash and cheques. Whilst many treasurers will still need/want to work with cash and cheques, it is inevitable that more and more will be done online in future.
- 8 Nevertheless, one of the benefits of the current system is that where connexional funds treasurers exist, there is at least a local advocate for the Connexional funds. Donations from across the connexion remain a crucial (though declining) source of income. Donations from churches and circuits for each fund in 2022/23 can be seen in the table below:

Fund	Circuits £ '000	Others £ '000	Total £'000
The World Mission Fund	563	217	780
The Mission in Britain Fund	187	42	228
The Property Fund	162	14	176
The FSPD	92	7	99
The Methodist Church Fund	59	16	74
The Training Fund	24	4	28
The Diaconal Order	-	11	11
Total	1,086	311	1,397

- 9 Of the £1.1m from circuits, £278k or 26% were cheques received in the post from circuits. This represented 1374 cheques during the year or 27 cheques a week. These all require allocation to circuits and thank you letters and these generate most of the work. £819k or 74% are donations either electronically banked by circuits into connexional bank accounts or cheques deposited by circuits (either using our paying in books or generic paying books they pick from the bank branch and then result in further analysis for us). The majority (£255k) of the 'other' donations are from churches sending donations through electronic banking or via their Central Finance Board accounts. It is not our practice to acknowledge these donations with a thank you letter.
- 10 Given the challenges with the process, a discussion was had at the District Treasurers' Forum. The general view was that the current system was designed for a different age and that modernisation was overdue. Phasing out the role of connexional funds treasurers was supported.
- 11 Subsequently, the issue was raised in the latest Finance newsletter that is issued to all church and circuit treasurers (albeit not all connexional fund treasurers). Whilst no proposals were made, observations on the current process were invited. There were only three responses as detailed in appendix 1.
- 12 Following further reflection at the Finance Sub-Committee and discussion at the Strategy and Resources Committee, it is proposed that the requirement for a report to the circuit meeting by way of audited accounts is removed from the Standing Orders. Donations to the funds will continue to be encouraged, with a preference for the use of electronic banking, but with still the capability to donate with cash and cheques. This may lead to a small increase in workload for church and circuit treasurers, but donations are only typically sent once per year so it should not prove too onerous. The role of connexional funds treasurer will be retained so as not to disrupt arrangements that are currently working well. The role will also be a useful advocate for connexional funds. As part of these changes materials will be produced explaining the current use of the funds and the mechanisms by which donations can be sent.

***RESOLUTIONS

32/1. The Council receives the report.

32/2. The Council recommends that the requirement for all church donations to connexional funds to be directed through the Connexional Funds' Treasurer is ended; that the requirement for a report to the circuit meeting on donations to connexional funds is dropped; and that the necessary amendments are made to Standing Order 505.

Appendix 1

Circuit	Do you have any comments on the current system and processes?	Do you have any suggestions for improvements?
Western Fells	<p>I'm a church treasurer and it always felt very inefficient passing on church donations to Connexional funds via the Circuit (our circuit recently merged and we haven't had any fund treasurers for the past couple of years, which I imagine means most churches will have stopped contributing to these funds unfortunately). It was also often done wrong in the past since previous fund treasurers used to bank monies received into their personal accounts and then pass all donations on as one transaction at the end of the year. Because of this, I stopped my church from donating to some funds. We now make direct online transfers, but bank details and contact details for the different funds aren't readily available and I get the feeling this method of paying in funds is somewhat unwelcome. I'm also slightly put off by the requirement to always say what church/circuit each donation is from. I feel this shouldn't be needed as it makes it like a competition who gives the most, when it shouldn't really matter who a donation is from. Sometimes a donation might be from an individual rather than a church donation.</p>	<p>Provide churches with information on each fund (I keep coming across funds I've never heard of, so could not have considered donating to them), and how to pay in to each, including bank details so those with the capability can send donations easily and directly.</p>
West Sussex (Coast and Downs) 36/08	<p>The problems I have had over the past years, is that my treasurers have to inform me of all payments they have made to MiB, SP&D, Property and Training, I then, at the EoY check this with your report. This year, just in this month I found at least 3 that have been paid in by DC and have not come up on the reports given by Finance. 2 amounts were from the same treasurer on the same day. Not all the church treasurers contact when paying amounts in, so I am not sure if we have, what we have given in total. I inform every treasurer of the set procedure that is given from yourselves and they do tend mostly to follow it, but having said that the report still doesn't state what church has given the amounts and then other times on the report it does state the churches. Banking the money manually is out of your control, but in Worthing we do still have one of the only HSBC's with over the counter service still. I have had someone ask this month if they can send me the cheques for me to bank as their branch has now closed. I have all the paying in books fortunately, but it's time that is taken in paying the money in on these cases. (Not in your control I know and I can't ask the 90 year old to get on with it and pay it by E banking either. So all very difficult in these cases)</p> <p>The funds have been updated and the wording corrected for the Circuit Title. My contact at the moment is Samuel Kombo and he has been a good contact for all enquires I have had. This a large Circuit and reporting etc. takes time and so any help is always welcome.</p>	<p>I personally like to see a Connexional Funds report which was consistent and correct, this would avoid me spending hours working out who's given what. Stating which church on the report would help no end as it does sometimes. Also, I report to the Circuit meeting and to increase giving year on year it would help to know the report was fully correct.</p>

Sutton

Yes. I took this over from the then Connexional Funds treasurer some 5 years ago. Initially it was a bit laborious but I have tried to improve its handling in the circuit. Firstly I have done away with paying in books. Yes, the old ones live on my shelf, but I no longer use them. I BACS all the donations to the relevant funds based on the banking information in the paying in book. So this requires a reference in the banking accounts required in our CAF Bank circuit account. But, back to collecting the money. Around Easter each year I write to the church treasurers asking them to send the church donations payable to the general fund. I hold a CX column in the circuit spreadsheet and record the donations. Some of the churches define the funds they want to contribute to, others give a lump sum to be dispersed among the fund we are supporting. This is very easy to handle. By July all the donations are in and for those which define the amounts to each fund, I total these and determine the proportion being given to each fund of the total. I then allocate the lump sums in the same proportion, rounding to the nearest £5. I check that the total calculated plus defined contributions sum to the same as the overall total contributed. If there is a discrepancy, then it's normally only £5 and this can easily be corrected. Then at the end of July or early August I just make, in our case, 5 BACS payments to each of the funds. Allowing for the small amount of time that is needed to record the donations, I reckon it takes about 2 hours per year. Because it is money in and same money out, then I just record the amount in the small addition to the SOFA in the annual report. This is the simple procedure.

1. Write to the treasurers.
 2. Record their donations.
 3. Apportion the lump sums.
 4. Make the BACS payments.
 5. Write the simple circuit report for the circuit meeting in September.
- I hope this helps.

See previous answer