

## BEQUESTS (updated 12/10)

### Explaining:

- **Express trusts (58)**
- **Permanent endowment (59)**
- **Model trust bequests (60)**

The work of the Methodist Church has been supported by bequests large and small over the years. Individuals who wish to support the Church in this way by making provision in their will, and their legal advisers, will find the guidance produced by the Trustees for Methodist Church Purposes (TMCP) useful.

Bequests are created by will or codicil and may take the form of a particular legacy such as a painting or other personal chattel. More usually they are pecuniary legacies, i.e. a sum of money, either specified, or a gift of the whole or part of the estate.

### 58 Express trusts

The nature of a bequest could be:-

for specific purposes e.g. the work of the Sunday School or  
for a particular fund e.g. the organ fund.

These are both **express trusts**.

### 59 Permanent endowment

Either of the forms of express trust may also be a **permanent endowment**. This is created when the testator has expressed the wish that the capital value of the bequest be preserved intact in order to provide a constant source of income for the particular purpose in mind.

#### Release your capital

Trusts with an income of less than £1,000 per year may be released for the same purposes as the income.

Where a permanent endowment has an annual income which is greater than £1000 the Managing Trustees may make an application (via TMCP) to the Charity Commission. Again the capital can only be released for the same purposes as the income and any application must be supported with an account of why it is deemed necessary to expend the capital.

TMCP will provide the necessary guidance and Charity Commission forms.

### 60 Model Trust bequests

Alternatively the gift may be a **Model Trust Bequest**. This is the most favoured form of bequest having none of the disadvantages of some express trusts where the gift may lapse, if a Church closes or fund ceases, unless the Charity Commission approve its use for another similar purpose.

Model Trust Bequests can be used for any or all of the wide ranging purposes of the Methodist Church as set out in the model trusts.

## **Administration of Model Trust Bequests**

Model Trust Bequests are treated as capital and must generally be invested via the Trustees for Methodist Church Purposes (TMCP) as custodian trustee. (*see Soss 914, 915(2)(v) and 916(3) in appendix 11*)

In other cases, e.g. permanent endowments, managing trustees are encouraged to use the services of TMCP.

Whenever treasurers receive such bequests the money should be forwarded to TMCP with a copy of the relevant 'will clause' and any other available information. TMCP are the body legally authorised formally to discharge the Executors of the Will, containing such a bequest, of their responsibility, and so provide a valid receipt.

## **Release of Model Trust Bequest capital**

A completed Application 1 should be sent to TMCP confirming the exact amount to be withdrawn or confirming that the trust is to be closed. This form is available on the Methodist website [www.methodist.org.uk](http://www.methodist.org.uk).

If, however the monies are required for a project which requires entry on the Property consents website, then the monies must be requested via the relevant payment tab.

If the trust is invested in shares or units, then specific authorisation should be given to TMCP to sell these on your behalf.

A letter should also provide payment details and be signed by at least two Managing Trustees. Email requests cannot be accepted.

## **Release of Model Trust Bequest income**

This is made available on request to TMCP without approval from any other body.