

INVESTMENTS

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50 Guidance for investing local Church funds

Managing trustees have a general responsibility for the good stewardship of the assets of the church. Any cash resources not immediately required for Church purposes should be prudently invested.

Many local Churches maintain an account with the Central Finance Board of the Methodist Church (CFB) using the Deposit Fund for surplus funds which may be required in the foreseeable future.

Where the local Church has surplus monies or reserves (built up over a period) **managing trustees must decide how to invest them**. The Central Finance Board of the Methodist Church is able to provide advice to managing trustees, and itself offers a range of investments, both short and longer term.

The following must be invested through the Trustees for Methodist Church Purposes:

All Model Trust Monies requiring investment, including

- Model Trust Bequests
- Building Funds
- Development Funds
- Proceeds of Sale

In the end the Church Council has sole responsibility for making investment decisions and for obtaining the best terms and rates available and appropriate for the Church's requirements.

Managing trustees will want to give consideration to the wide choice of investment available through the CFB. Treasurers should consider contacting the CFB before making arrangements to invest the funds

The managing trustees may decide to invest the funds elsewhere e.g. by way of investments with other bodies or on the stock market. That kind of decision should always be taken with appropriate professional advice.

The instruction to make an investment either with the CFB or elsewhere should be passed to the Financial Officer of TMCP who will then place the funds in the chosen CFB fund or give appropriate instructions through a broker if the investment is to be held elsewhere.

51 The role of the Trustees for Methodist Church Purposes (TMCP)

The Trustees for Methodist Church Purposes is a charitable body incorporated by the Methodist Church Act 1939.

TMCP is **custodian** trustee of, and holds the legal title to, most Methodist property, including Methodist chapels. The Church Council are the **managing** trustees.

Any monies subject to the Model Trusts requiring investment must be invested through, and in the name of the custodian trustee (TMCP). This includes all sale proceeds of Methodist property and other capital monies,

including Model Trust bequests. When a chapel or manse is sold the proceeds go into the Circuit Advance Fund, of which the Circuit Meeting are the managing trustees. All such monies are restricted funds and must be applied for specific purposes as set out in Standing Orders.

Money raised for a building scheme, which will not be required immediately, should also be invested through TMCP as custodian trustee. The money will be available upon request by the local Church for the scheme.

In the cases of each of the island Districts there is a separate custodian trustee:-

Jersey - Trustees for Jersey Methodist Church Purposes

Guernsey - Trustees for Bailiwick of Guernsey Methodist Church Purposes

Isle of Man - Trustees for Manx Methodist Church Purposes

each with the same essential functions as TMCP, the custodian for property in England, Wales, Scotland and Shetland.

52 The role of The Central Finance Board of the Methodist Church (CFB)

The CFB was established by the Methodist Church Funds Act 1960. The Board aims to provide a high quality investment service to the Methodist Church seeking to obtain above average investment returns for its investors, whilst at the same time constructing investment portfolios which are consistent with the moral stance and teachings of the Christian faith.

The CFB can offer trustees help both by providing investment advice and, through its range of Common Investment and Common Deposit Funds, investment management services, enabling trustees to share in the CFB team's wealth of professional investment experience. The CFB will always be pleased to talk with Methodist trustees and provide advice and information on the services it has to offer.

The CFB Deposit Fund can be used by all Methodist organisations in Great Britain responsible to the Methodist Conference. This would normally include other organisations under the control of the Church Council, e.g. Sunday School, Youth Club etc.

Further information

- accounts may be opened on any business day directly through the CFB London Office
- deposits may be made via a local bank, using a CFB paying-in book, or by post
- interest is earned immediately an account is credited
- interest is paid monthly by credit to a CFB Deposit Fund account
- withdrawals are processed on the day the instruction is received
- withdrawals are paid direct to a nominated local bank account by BACS, or by cheque
- no third party payments are permitted
- automatic transfers can be set up:
 - to pay stipends
 - to Circuit, District and other Deposit Fund accounts
 - to fund the local bank account(s)
 - to receive tax refunds
 - to credit income distributions via TMCP
- No transaction charges are levied

53 The role of the Methodist Chapel Aid Association Limited (MCAA)

Deposits are welcome from individuals and also from Methodist Church Councils and other bodies. Where Methodist Churches have proceeds of sale, bequests or monies raised for building schemes they may instruct the Trustees for Methodist Church Purposes (to whom the money must be sent in the first instance) to invest the money in a Chapel Aid Association account.

Where the monies are from a General Fund they may be invested direct with MCAA. **Advice should be sought from TMCP at Oldham Street, Manchester on the investment of Circuit Advance Fund monies, other proceeds of sale, bequests or endowments with MCAA, or the Association will make those enquiries on your behalf when Churches wish to arrange deposits.**