

## Further help

### The Church of England:

You may find the following sources helpful :

- The Charities Act 1993 and the PCC 3rd edition: A guide to the SORP 2005 revisions (ISBN No: 9780715110218)
- The Charities Act 1993 and the PCC: Preparing Receipts and Payment Accounts (SORP 2005) (ISBN No: 9780715110232)

These two books are produced by Church House Publishing to provide detailed guidance on accounting and reporting for parishes. The former is the full edition, the second is a shorter book for parishes using Receipts and Payments accounting.

The Church of England website contains copies of the PCC Powers Measure (1956) as amended, and the Church Representation Rules, which the Charity Commission has approved as the governing documents of PCCs.

[www.parishresources.org.uk](http://www.parishresources.org.uk) supports good stewardship by parishes. It provides guidance for treasurers, independent examiners and also resources for PCC members in their role as trustees.

For more detailed help on specific questions, you should contact your diocesan office.

### The Charity Commission:

The Charity Commission produce a range of publications to help trustees. You may find the publication “The Essential Trustee: What you need to know” (order reference CC3) a good place to start. To get a copy of this or any of our other publications you can:

- view and print them from the website; [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk)
- order by phone – Monday to Friday 0800-2000 and 0900-1300 Saturdays - 0845 300 0218;
- write to Charity Commission Direct, PO Box 1227, Liverpool, L69 3UG.



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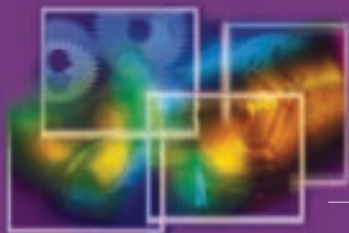


Ecclesiastical are aware of the responsibilities faced by PCC members and now within their standard Parishguard policy automatically include Charity Trustee Indemnity for a limit of £100,000. If you require further clarification regarding this cover please contact Ecclesiastical on 0845 777 3322.

# Trusteeship



## An Introduction for PCC Members



This booklet has been produced for PCC members. As a member of a Parochial Church Council you are also a charity trustee, as all PCCs are charities. This booklet seeks to explain what this means in terms of your responsibilities and duties.

PCCs have been recognised as charities for many years. The basic responsibilities of their members, as charity trustees, have not changed significantly for some time. However, provisions of the 2006 Charities Act that will affect PCCs are expected to be implemented in 2008, and this booklet provides an update on their effect.

The Parochial Church Council (Powers) Measure 1956 defines the functions and powers of a PCC. Under the amended Measure, the principal function of the PCC is “promoting in the parish the whole mission of the Church, pastoral, evangelistic, social and ecumenical.” Thus PCC Members have significant responsibilities for the local mission of the Church, and effective team working lies at the heart of any successful PCC. As a PCC Member, and trustee, you can make a real difference to your local church - to its aims and direction, its mission and vision, finances and the employment of any staff.

The fact that PCC members are also charity trustees should be seen positively. Trusteeship recognises that we have accepted a particular responsibility and are accountable for this. If we do this diligently and act lawfully, we have nothing to fear. Along with this responsibility comes the authority and power to act.

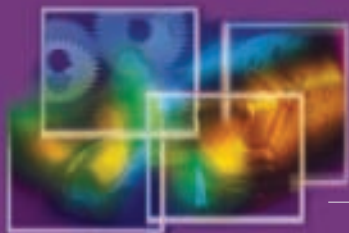
God gives to all of us the responsibilities of stewardship for that which he has entrusted to us. This is true individually, but it is also true collectively. As a local church community, and as a PCC, we are stewards both of the mission of the church in that place, and of the resources available to the church.

This booklet is based on the Charity Commission’s guide, CC3a, “The Essential Trustee”, and is produced with their support. It includes legal requirements, good practice and recent developments. For clarity, legal requirements are indicated by the ♦ symbol; good practice is identified by the ✓ symbol.

This booklet is intended to provide a general guide to the responsibilities of PCC members as trustees. When appropriate, PCCs should seek specific specialist advice from solicitors, the Diocesan Registrar, the diocesan office, accountants, or other professionals.

### For PCC Discussion:

***We often talk about stewardship as an individual responsibility, but PCCs also need to be good stewards corporately. Take a moment to identify the particular stewardship challenges you are facing as a PCC.***



## What are the duties of trustees?

PCC Members have, and must accept, ultimate responsibility for directing the affairs of their PCC, ensuring that it is solvent and well-run, and delivering its charitable outcomes. You need to keep in mind the following areas of responsibility.

◆ **Ensuring compliance** – PCC Members must ensure that their charity complies with charity law and with church (ecclesiastical) law. In particular...

All PCCs are required to prepare annual accounts, and report on their work. Those who become registered charities will need to return copies of these, and annual returns to the Charity Commission. All PCCs are required to send a copy of their annual financial statements to their diocese.

All registered PCCs will need to state that they are a registered charity on their letterheads and on many of their financial documents. It is not a requirement to state the charity's registration number, but many do.

◆ **Duty of prudence** – Trustees must:

Ensure that the PCC is and will remain solvent. This means that you need to keep yourself informed of the PCC's activities and financial position.

Use charitable funds and assets wisely, and only to further the purposes and interests of the PCC.

Avoid undertaking activities that might place the PCC's property, funds, assets or reputation at undue risk. Careful discernment is required when stepping out 'in faith'.

◆ **Duty of care** – Trustees must:

Exercise reasonable care and skill as trustees, using personal knowledge and experience to ensure that the PCC is well-run and efficient.

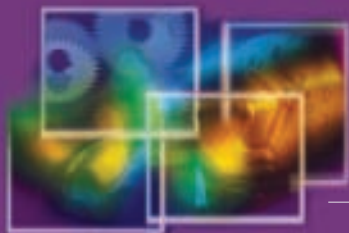
Take special care when investing funds, or borrowing funds for the PCC to use, seeking professional advice where appropriate.

Consider getting external professional advice on all matters where there may be material risk to the charity, or where the trustees may be in breach of their duties.

To fulfil these responsibilities properly, PCC members should make sure that they keep up to date with what the PCC is doing. You should give enough time and energy to the PCC's business, and meet regularly enough to make the decisions needed. How this is done will vary between different types and sizes of PCC.

### For PCC Discussion:

*Take a moment to consider whether there are any areas where you feel you are not fulfilling your duties as trustees. What actions might improve this?*



## Seven Marks of Good Governance

An effective PCC....

- ✓ is clear about its purposes, mission and values, and uses them to direct all aspects of its work.
- ✓ has adopted structures, policies and procedures which enable it to achieve its mission and aims and meet its objectives efficiently.
- ✓ sees sound governance as an important part of its stewardship. It has appropriate procedures in place.
- ✓ manages and uses its resources (including finance, skills, knowledge, experience and assets) so as to achieve its potential. It plans and budgets effectively, including periodic review.
- ✓ views accountability and transparency as key values, and recognises that it is accountable to wider constituents. It communicates effectively, explaining its activities and decisions in an open and transparent way whilst maintaining confidentiality where appropriate.
- ✓ is flexible enough to adapt to change appropriately. Avoiding complacency, the effective PCC will want to increase its effectiveness in meeting its core object of promoting in the parish the whole mission of the Church.
- ✓ acts with integrity, and in accordance with its values.

### For PCC Discussion:

*In which of these areas do you think you are most effective, and in which areas are you least effective? What two or three actions would improve your effectiveness as a PCC?"*

## Some frequently asked questions.....

### **Q: Do PCCs need to register with the Charity Commission?**

A: The Charities Act 2006 will require PCCs with income over £100k to register with the Commission. This is expected to be from October 2008. Further guidance will be available in due course from the Church of England, Charity Commission and Parish Resources websites.

### **Q: If my PCC is not required to register, can I get a Charity number?**

A: All PCCs are charities. Those who continue to be exempted from registration, because their income is below the threshold, and are asked for their charity number should state that they are exempted from registration by Statutory Instrument No 180 Charities (exception from registration) Regulations 1996). It may be acceptable for you to quote your Gift Aid claim number provided that you make it clear that it is your reference number with HM Revenue & Customs as a charity, and not a Charity Commission number.

### **Q: What are the potential liabilities of PCC Members as charity trustees?**

A: PCC members are entitled to meet the PCC's liabilities out of its resources. The possibility of personal liability would only arise in the event of a failure to act in accordance with their legal

responsibilities as trustees - including their duty to show a reasonable degree of care in the administration of the PCC's affairs.

### **Q: Can PCCs insure trustees against personal liability?**

A: The short answer is yes. Many PCCs will find that their insurance policy already provides a good degree of cover for public liability, PCC and trustee indemnity, pastoral care indemnity and legal expenses. Your Independent Examiner may also be covered under your policy.

### **Q: Can PCC members be paid?**

A: PCC members cannot be employed by the PCC, unless specific authority has been granted by the Charity Commission. However, PCC members may receive payment for services provided to the PCC if certain conditions are met. These are described in the Charity Commission's website information sheet 'Trustee Payment' (CSD- 1381A). Further information is provided in their leaflet (CC11) 'Payment of charity trustees'

### **Q: What is the minimum age for a PCC member?**

A: The minimum age for a PCC member is 16, and they are full trustees from this age.