Trustee Training facilitated by Malcolm Broad
Treasurer of the Baptist Union of Great Britain

✴ Treasurer of Keynsham Baptist Church
✴ Treasurer of Baptist Union of Great Britain
✴ Treasurer of Bristol Baptist College
✴ Director of Baptist Insurance Company plc
✴ Trustee/Co-Founder of ABLAZE
✴ Governor at two primary schools
✴ Trustee of Bristol Zoo & Wild Place

YBA REGIONAL TEAM
What are we going to cover?

- Brief history
- Induction
- The essentials - what you need to know
- Your responsibilities and accountabilities
- How do I use my skills and experience as a deacon
- Making a difference

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Bible references:
1 Peter 5:
1 Timothy 3: 8-13
1 Timothy 5: 17

Then Queen Elizabeth 1 ...
Then Tony Blair ...

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What do I need to know....

- Induction
- Induction Pack
- Meeting with the Minister & Officers
- Training
- Where to get further help:-
  - BUGB website
  - Charity Commission website (including Trustees Handbook)
  - Your Association Team
  - The Good Trustee Guide (NCVO)
  - Association of Chairs

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What do I need to know....

A NEW MAGAZINE
for Baptist Churches

AVAILABLE NOW!

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Induction Pack....

1. Copies of recent Church & Deacons Meetings Minutes
2. Latest Annual Report & Accounts
3. Copy of the Governing Document
4. Church Newsletter
5. List of Deacon's duties
6. Dates of future meetings
7. Details of church website as applicable
8. Details of any significant project/s
9. Copy of the Church Budget
10. History of the Church

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Why do I need training?

“Must accept ultimate responsibility for directing the affairs of the charity (church), ensuring it is solvent, well-run, and delivering the charitable outcomes for the benefit of the public for which it has been set up.” (Deacons/Trustees can delegate but they cannot abdicate!)

- Includes Duty of Prudence and Duty of Care
- Requirement in the Annual Report (recruitment, appointment, induction and training)

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Church Hallmarks

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Hallmarks

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An effective charity (church) is clear about its purposes, mission and values, and uses them to direct all aspects of its work. **Objects of the Church**

- Ensure that activities are within the purposes set out in governing document [L]
- Is independent and recognises that it exists to pursue its own purposes and not those of other bodies [L]
- Considers future sustainability - now - v - future

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Does the Diaconate have the right balance of skills and experience and acts in the best interests of the charity and its beneficiaries? *(RS10)*

- Undertakes all appropriate checks on prospective deacons [L]
- Is the governing body (the diaconate) constituted correctly in accordance with the governing document? [L]
- Identify mix of skills needed from Deacons
- Collective responsibility - unity - ref. Ephesians 4: 12-13

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Does every deacon have a clear understanding of their role?

- Only act in the church’s interests & manage conflicts of interest [L] - New Guidance from the CC
- Compliance with current legislation & takes professional advice as necessary [L]
- Individual induction, training and development of trustees/deacons
- Framework for evaluating diaconate and trustee performance

**Growing Healthy Churches**
Hallmarks
Ten Commandments for Chairmanship

1. Thy chair must have enthusiasm for the organisation (church)
2. Let thy CEO be the CEO (Let thy minister be the minister)
3. Thou shalt let everyone have their say......
4. Thou shalt know thy diaconate
5. Thou shalt keep to time and keep others to time
6. Thou shalt know how and when to move trustees on
7. Thou shalt take responsibility for governance
8. Thou shalt make sure everyone knows what is expected of them
9. Thou shalt take on the responsibility and loneliness of leadership
10. Thou shalt let the organisation know who the board is and what it is for, who its members are and what they do.

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Hallmarks

Ephesians 4: 11-13

So Christ himself gave the apostles, the prophets, the evangelists, the pastors and teachers, to equip his people for works of service, so that the body of Christ may be built up until we all reach unity in the faith and in the knowledge of the Son of God and become mature, attaining to the whole measure of the fullness of Christ.

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Hallmarks

What do deacons monitor at Deacon’s Meetings?
- Does the diaconate take corrective action where needed?
- Does the church have policies to control and manage reserves, investments and borrowing and take professional advice where appropriate? Reserves Policy, Investment Policy
Hallmarks

• Not to be confused with outputs or achievements
• Outcomes are the changes, benefits, learning or other effects that happen as a result of the church’s existence
• Outputs therefore show the volume of work undertaken
• Explain the rationale behind the volume of work
• What learning has taken place?
• What changes might result from the outcomes?
• What benefits have been found or established from the outcomes?

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Hallmarks

• Complies with all legal requirements [L]
• Compliance with the Statement of Recommended Practice (SORP) [L] (Book £15 or free online)
• Must explain in the Annual Report to what extent have the charitable purposes been achieved and explained so that people understand including public benefit [L]
• Complaints procedure, including appeals process
• How does the church involve beneficiaries?
• Does the church have a communications plan regarding accurate and timely information given to all who have an interest in the church, media, donors & visitors?
• What happens when things go wrong?

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Hallmarks

10. How comfortable are you about your statutory duty of care to your church?

19% 25% 47% 8%

• Statutory ‘Duty of Care’ [L] – Deacons must give enough time, thought and energy to their duties as trustees, and make reasonable use of their skills and experience.
• Do deacons always seek to improve performance and efficiency and learn new and better ways of delivering the church’s purposes?
• How do you measure and evaluate success?
• Do you welcome and act upon feedback from the public/visitors/church members?
Hallmarks

Learning and Improving

How comfortable are you in understanding your responsibility towards your minister/ministers?

3% 14% 64% 19%

- Does the diaconate actively identify and use opportunities to influence the environment in which it works?
- Relationship with the Minister - latest Supreme Court
- How innovative is the diaconate or body of trustees?

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Hallmarks

Learning and Improving

Do deacons learn new and better ways of delivering the church’s purposes and how innovative is your diaconate?

Where does your church sit on this curve?

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Hallmarks

Financially sound

Considers what strategies are needed to raise funds
- Aware of financial risks
- Diversifies sources of income as far as possible
- Do you know where the cheque book is?
- Who can sign on the bank account/s?
- Policies in place - Internal Financial Controls
- Preparation of the Annual Report and Accounts in accordance with legal requirements and filed in a timely fashion

[L] How long in your church?
Hallmarks
- Independent Examiners
- Examiner’s Certificate
- Accounts not examined!
- Red listing at the Charity Commission
- Reserves Policy
- How trustees are appointed and trained
- Relationship with YBA, BUGB, BMS
- Statement regarding major risks
- Plans for the future

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Reserves Policy

What are the Church’s Reserves?
That part of a charity’s income funds that is freely available. ‘Reserves’ are therefore the resources the charity has or can make available to spend for any or all of the charity’s purposes once it has met its commitments and covered its other planned expenditure.

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Exclusions
This definition of reserves therefore normally excludes:
- permanent endowment; expendable endowment; restricted funds;
- any part of unrestricted funds not readily available for spending, specifically:
- income funds which could only be realised by disposing of fixed assets held for charity use and programme related investments.

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Reserves Policy

★ Reserves Policy set out in the Annual Accounts - SORP compliance

★ Why do we need a Reserves Policy? [RS13]

★ The reasons why the church needs reserves

★ What level or range of reserves the trustees believe the charity needs?

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Church Funds

★ Unrestricted Funds

★ Designated Funds

★ Restricted Funds

★ Endowment Funds

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Hallmarks

14. How comfortable are you in understanding the annual budget of your church?

Integrates financial planning with wider organisational planning ensuring funds available - Church Strategies linked to budgets

Review fund raising activities to ensure they comply with good-practice standards embracing any ethical issues

Manages risk associated with loss, waste and fraud – are robust financial controls and procedures in place?

Structures the church activities in most tax efficient way

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Hallmarks

- Must ensure church is and will remain solvent – define?
- Take special care when investing charity funds or borrowing funds – CIOs re borrowing
- Review procedures where delegations/authorities given to minister/s and staff to act

Charitable Property

- Deacons must always act to protect property owned by the charity.
- In the case of a permanent endowment, particular care must be taken to maintain its value. Must be used in a way that produces enough money for expenditure whilst safeguarding the asset value.
- Land and buildings – deacons to ensure they are being properly used and adequate insurance is in place – failure is a breach of trust.

Managing Trustees -v- Holding or Custodian Trustees

Managing trustees are the people responsible under the charity’s governing document for controlling the charity’s management and administration.

Churches, as charities, also have custodian or holding trustees, whose function is solely to hold its property. Custodian or holding trustees usually have no power to make management decisions and must act on the lawful instruction of the managing trustees.
Charitable Property

Managing Trustees -v- Holding or Custodian Trustees

Where should property assets be disclosed?

In Church accounts or the Custodian Trustee’s accounts?

Explanation of property value method, e.g. cost, professional valuation or buildings insurance figure

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Prudent CIOs

Charitable Incorporated Organisations

• New structure for charities
• No need to change – might be useful for new charities or churches that need to register with the Charity Commission for the first time
• Incorporated – church able to act in its own name - some benefits for charity trustees – but Regulations!
• Baptist churches? - better than a limited co.
• Precedent document available with guidance notes
• Able to hold property

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Insurance

Baptist Insurance Company plc

Michael Angell, Managing Director

New Home Insurance Promotion - £10 to Home Mission and BMS World Mission

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How comfortable are you in understanding Risk Management and how trustees should monitor risks?

31% 33% 33% 3%

How comfortable are you about your responsibilities and accountabilities when things go wrong?

28% 39% 30% 3%

If deacons/trustees act prudently, lawfully and in accordance with the governing document, then liabilities of deacons is very limited.

Acting imprudently however could result in deacons being made personally responsible for liabilities incurred by the church.

Since deacons/trustees act collectively in running the church, they will usually be collectively responsible to meet any such liability.
Message from the Charity Commission

“Charities operate for many different purposes but share a common desire to do the best for their beneficiaries. To do this, it’s vital that trustees keep asking the questions: “What have we achieved?” and “What can we do to improve?”. Having clear goals against which to measure performance, being well run, making the most of resources and being open and accountable, are key to finding the answer.”

What’s my reward?

Trustees are responsible for the direction and performance of their charity and therefore can make a significant difference. It can be a challenging role. If something goes wrong in the charity’s work or finances the trustees bear ultimate responsibility - both legal and financial. But it can also be extremely interesting and rewarding, giving you the chance to exercise existing skills and develop new ones in the service of Christ Jesus.

Home Mission Latest

£190,000 - the fruit of Yorkshire people living generously

THANK YOU for your gifts to Home Mission!

YBA Giving to Home Mission latest £38,892 (Mar. 2015)
(last year at same time was £30,340)
Home Mission Latest

★ Estimated General Fund Income in YBA?
£

★ Estimated General Fund Expenditure in YBA?
£

★ Estimated General Fund Balances in YBA?
£

★ Estimated Property Value in YBA?
£

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What’s my reward?

“Life’s most persistent and urgent question is: What are you doing for others?”

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Question Time
Thank You

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