



Church of Ireland – Parish Handbook

SELECT VESTRY & CHARITY TRUSTEE DUTIES

CHARITY LEGISLATION REFORM & CHARITY TRUSTEESHIP

The purpose of the charities legislation in both Northern Ireland and the Republic of Ireland is to ensure greater accountability in charities, to protect against the abuse of charitable status and fraud, and to enhance public trust and confidence in the charities sector.

Under the legislation, select vestries are considered to be charities. Charity trustees are defined as the people having day-to-day control of a charitable organisation, for example, members of management groups or committees. As such, select vestry members are charity trustees. In fact, select vestry members have always been considered by the *Constitution of the Church of Ireland* to be trustees of the Church and in that position are under an inherent duty to act in the best interests of their parish.

The basic responsibilities of select vestry members, as charity trustees, have not changed significantly. As before, they should continue to put the interests of the parish before their own interests and act prudently in all matters to do with the parish. The additional obligation under the reformed charities legislation is the requirement to report to the relevant regulatory body (the Charity Commission for Northern Ireland (CCNI) or the Charities Regulatory Authority (CRA) in the Republic of Ireland) on the parish's finances and activities. *More detail on reporting is set out below.*

The fact that select vestry members are also charity trustees should be seen positively. Trusteeship recognises that members have accepted a particular responsibility and are accountable for this. If members work prudently and act lawfully, there is nothing to fear. Along with the responsibility of being a trustee comes the opportunity to make real difference to the parish and its aims, its mission, finances and the employment of any lay staff.

CHARITABLE PURPOSE AND OBJECTS

In accordance with the requirements of the relevant authorities in both jurisdictions, the Church has adopted a Statement of Charitable Purpose and Objects and a Statement of Public Benefit (NI) and a Statement of Charitable Purpose and a Statement of Charitable Objects (ROI), set out below.

NORTHERN IRELAND STATEMENT OF CHARITABLE PURPOSE AND OBJECTS:

'The charitable purpose of the Church of Ireland is the advancement of religion. The principal function of parish select vestry is to support the advancement of the Christian religion by promoting, through the work of the parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. Being open to, and engaging with, society as a whole and offering support for those needing help are fundamental to the practical delivery of the benefits of Christianity.

As a result of the activity in the pursuit of the advancement of the Christian religion, the parish select vestry has custody of property and of records, materials and artefacts of significance to the cultural and religious heritage, maintenance of which is undertaken by the parish.

NORTHERN IRELAND STATEMENT OF PUBLIC BENEFIT:

Purpose 1: *'The expression of the precepts of the Christian religion through engagement with the general public, and in particular with the disadvantaged, the sick, the elderly and the young, is a public benefit. This can be measured and evidenced through increased social integration and pastoral care delivered at the point of need. The direct benefit of participation in Church life includes the enjoyment of public worship and the giving and receiving of pastoral ministry, improved understanding of the values relating to civic engagement, community cohesion and providing a bridge between diverse groups as well as improved educational outcomes through the Church's ministry of teaching.*

The beneficiaries are the general public, and the public valuation of the benefits can be evidenced through attendance at public worship, participation in Church governance and willingness to support through

contributions the continuing witness of the Church. The wider benefit to the public will outweigh any detriment arising in the course of Christian outreach. Any private benefit arising out of the fulfilment of our Christian ministry or to lay staff is essential to the fulfilment of the purpose of the advancement of religion. No trustee receives remuneration, reward or other private benefit for carrying out their trustee responsibility.'

Purpose 2: *'The direct benefits flowing from this purpose include the provision of archive records, public enjoyment of cultural and historic buildings and artefacts such as church plate, furnishings and materials as well as an overall improved appreciation of longstanding Christian heritage.*

This is demonstrated through on-going provision of access to records and the use made of these records in, for example, research and genealogy, through conservation efforts in respect of records, property and artefacts and the subsequent and continued requests for access to and use of our materials by wider society. There is no harm arising from the purpose. The beneficiaries are the general public. No private benefit is received by trustees fulfilling their trustee responsibilities in respect of these records, buildings or artefacts, but in the course of conservation and to make these accessible to the public, the engagement of professional staff and services is essential but incidental to the fulfilment of the purpose.'

REPUBLIC OF IRELAND STATEMENT OF CHARITABLE PURPOSE:

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REPUBLIC OF IRELAND STATEMENT OF CHARITABLE OBJECTS:

The principal function of parish select vestry is the to support the advancement of the Christian religion by promoting, through the work of the parish, the whole mission of the Church, pastoral, evangelistic, social and ecumenical. Being open to, and engaging with, society as a whole and offering support for those needing help are fundamental to the practical delivery of the benefits of Christianity.

As a result of the activity in the pursuit of the advancement of the Christian religion, the parish select vestry has custody of property and of records, materials and artefacts of significance to the cultural and religious heritage, maintenance of which is undertaken by the parish.

TRUSTEE RESPONSIBILITIES

Select vestry members have ultimate responsibility for managing the activities of the parish, ensuring that it is solvent and well-run, and delivering its charitable outcomes.

Trustees may delegate work but have a duty not to delegate their ultimate responsibility. They must ensure that proper systems are in place so that the parish's activities are subject to sufficient checks to prevent problems occurring. In particular, trustees have the following main areas of responsibility:

DUTY OF CARE:

Select vestry members must exercise reasonable care and skill as trustees, using personal knowledge and experience to ensure that the parish is well-run and efficient. Members should make sure they are fully informed and up-to-date with select vestry activities; they should give enough time and energy to their select vestry duties and meet regularly enough to make the decisions needed.

DUTY OF PRUDENCE:

Select vestry members must ensure they are well informed about the parish's financial position, that the parish is and will remain solvent. Assets must be used wisely and special care taken when investing or borrowing funds. External professional advice should be considered on all matters outside the expertise of the members or where there may be material risk to the parish's funds, property, assets or reputation.

ENSURING COMPLIANCE:

Select vestry members must ensure that their parish complies with State and church law. In particular, charity law requires that select vestries prepare annual accounts and report on their activities.

BEST PRACTICE RECOMMENDATIONS FOR SELECT VESTRIES

The select vestry should have systems in place so that their activities are checked and problems are prevented from occurring.

Procedures based on best practice should ensure that:

- Two people are involved in handling money and counting cash received
- Payments by cheque or bank transfer require authorisation by two people
- Permission is sought prior to spending
- Expenses are checked and vouched for
- Reporting is thorough, accurate and timely
- Records can be easily followed
- A full bank reconciliation is completed at least monthly
- Accounting records show the amount of funds held for different purposes at all times
- All money owed or due to the parish, including tax relief, is collected in full
- Land and buildings are maintained in good condition, insured and used to the parish's best advantage
- Employment law is complied with in the recruiting and employment of lay staff
- Fundraising activities use donations as intended, convey appeal costs honestly and do not exert undue pressure on people to give

GOOD GOVERNANCE

A select vestry which demonstrates good governance should:

- Be clear about its purposes, mission and values, and uses them to make informed, balanced decisions
- Have procedures in place which enable it to act responsibly, objectively, and manage conflicts of interest
- Use its resources (including finance, skills, knowledge, experience and assets) to achieve its potential
- Value transparency and recognises that it is accountable to the parishioners and the central Church
- Communicate openly and honestly whilst maintaining confidentiality and integrity

ELIGIBILITY TO BE A TRUSTEE

Individuals who are not eligible to be trustees under charity legislation includes anyone who:

- Has been convicted of an offence, particularly if involving deception or dishonesty
- Is an undischarged bankrupt or has made an arrangement with creditors
- Has previously been removed as a trustee by the charities regulator or a Court

If a person is not eligible to be a trustee, it is their responsibility not to make themselves available for election to the select vestry. It is advisable that the individual arranges with the officiating member of the clergy that their name not be put forward at the Easter vestry. If a serving member of the select vestry becomes disqualified, it is their responsibility to stand down from the select vestry.

Where an individual is unsure about their eligibility, they should seek advice directly from the regulatory body (the CCNI or CRA) as circumstances may be reviewed on a case-by-case. Regulators are likely to be more concerned where there is evidence of fraud or deception rather than an unfortunate personal situation.

TRUSTEESHIPS MAY NOT BE PAID

A charity trustee is expected to act without any payment. The law expects that trusteeship of a charity is an entirely voluntary activity motivated by altruism. A select vestry is not permitted to pay members for their work in their capacity as trustees, other than for receipted expenses. The receipt by clergy of stipends is an exception which is set out in the *Constitution of the Church of Ireland* and accepted under charity law.

Select vestry members may receive payment for professional services provided to a parish, separate to performance of their trustee duties, as long as any potential conflicts of interest are declared and properly managed.

LOCAL TRUSTS

The Representative Church Body is the corporate trustee which was established to hold property for the Church of Ireland. However, select vestries of some parishes may have property (including land, buildings and financial assets) which could be vested in local individual trustees. Select vestries in this situation are considered not to have control over such property.

The individuals who are local trustees must take independent steps to comply with charity legislation and report to the relevant regulatory body, separately from the parish. Careful legal advice should be taken to ensure that such assets continue to be regarded as 'charitable' and to ensure that the benefit to, and relationship with, the parish is established. For example, the select vestry may take responsibility for building maintenance or insurance, which otherwise would be considered the responsibility of the trustees, or funds may be managed independently by trustees but used for the benefit of the parish.

Legal advice should also be taken in respect of planning the possible winding up of the trust or end of a trusteeship to ensure that the property continues to be held for the benefit of the parish, and does not pass into any individual's estate. Further guidance on 'Church property held in trust' can be found in select vestry resources at www.ireland.anglican.org/parish-resources.

REPORTING OBLIGATIONS UNDER CHARITY LEGISLATION

The implication of charity law for select vestries is that they have to submit a particular format of accounts to the relevant authority (either the Charity Commission for Northern Ireland or the Charities Regulatory Authority in the Republic of Ireland). The accounts will need to be independently examined or audited. In addition, select vestries must submit a trustee's report on parish activities.

PREPARING ACCOUNTS:

Parish accounts must be prepared in a particular format, either on a receipts and payments basis or an accruals basis, depending on the amount of income received by the parish. The requirement to have accounts independently examined by a competent person, a qualified individual or subjected to a full audit also varies depending on the income threshold. The thresholds vary between Northern Ireland and the Republic of Ireland.

Parishes should take specific advice from the diocesan council or the Representative Church Body on the accounting requirements to which they are subject. Sample accounts for use by parishes can be found on www.ireland.anglican.org/parish-resources.

ANNUAL MONITORING RETURN / ACTIVITY REPORT:

The select vestry is required to submit a report on its activities to the relevant authority. The particular format of the report will depend on whether the select vestry submits an annual return to the Charity Commission for Northern Ireland or an annual activity report to the Charities Regulatory Authority in the Republic of Ireland.

Generally, the report should explain the parish's activities, governance and finances. It should show whether the parish has achieved its objectives during the year and explain its future plans. Reports and accounts are due within ten months of the end of the parish's financial year.

Parishes should take specific advice from the diocesan council or the Representative Church Body on the required format of the report. Sample reports for use by parishes and advice for treasurers can be found on www.ireland.anglican.org/parish-resources.

LIABILITY AND INSURANCE

A select vestry member is not subject to any additional liability by being a charity trustee. As long as the parish has in place comprehensive indemnity insurance (which usually indemnifies members for liabilities relating to acts done or omitted to be done in good faith and in performance of their functions as a charity trustee) then members are protected from personal liability.

The possibility of personal liability may arise in the event of a failure to act in accordance with a member's legal responsibilities as trustee, including their duty to show a reasonable degree of care in the administration of the select vestry's activities. Any deliberate breach of trust or deliberate negligence cannot be insured against. It is strongly recommended that parishes seek specific advice from their insurer.

This guidance is intended to provide general information on the responsibilities of select vestry members as trustees. Select vestries should seek specific specialist advice from their diocesan office, solicitors, insurers, accountants or other professionals, as required.