

# North Monmouthshire Ministry Area Governance & Finance Protocols



Faith in  
our Future

Diocese of Monmouth  
Esgobaeth Mynwy

# 1. Governance

## Ministry Area Structure

The Ministry Area is created as a Rectorial Benefice but will be known as a Ministry Area. A decree will be drafted by the Diocesan Registrar which will be specific to the Ministry Area but based on precedented documents. The Ministry Area will be a charity and is registered with the Charity Commission as North Monmouthshire Ministry Area.

## The Decree

The Ministry Area will come into existence as a legal entity on 15<sup>th</sup> January 2023. This will also be the date on which all assets from the five benefices will be transferred to the Ministry Area, and this will be set out in the Decree.

## Ministry Area Councils (MAC)

The North Monmouthshire Ministry Area will have an executive Parochial Church Council (PCC). This PCC will be known as a Ministry Area Council (MAC). This is the trustee body for the Ministry Area. Each member of the MAC is a charity trustee. The trustees have overall control of the Ministry Area which is registered at the Charity Commission. Trustees are responsible for making sure that the Ministry Area is doing what it was set up to do and fulfilling its mission. The trustees are the people who lead the charity and decide how it is run. Trustees will be making a difference to their local communities and to society, as a whole, through the outreach strategy which is to be the focus of the MAC.

The constitution of each Ministry Area will be the Constitution of the Church in Wales and therefore the trustees are bound by the obligations within the Constitution. They must familiarise themselves with it and, in particular, the regulations relating to parochial church councils in Chapter IV C (Parochial Administration) and the Regulations relating to Parochial Administration.

Trustees on the MAC have seven main duties:

- To ensure that the Ministry Area is carrying out its purposes for the public benefit.
- To comply with the Constitution and the law.
- To act in the Ministry Area's best interests.
- To manage the resources of the Ministry Area responsibly.
- To act with reasonable skill and care.
- To ensure the Ministry Area is accountable.
- All members of a MAC should read Charity Commission guidance CC3 known as *The Essential Trustee*. <https://www.gov.uk/government/publications/the-essential-trustee-what-you-need-to-know-cc3>

## MAC Organisation

The MAC is intended to be a strategic body, and careful thought has been given to how it will function best; its size; how it will be organised; and what qualities and experience are required in its members. In organising itself, the MAC is free to set up

whatever committees it deems necessary. It can delegate powers to those committees if it wishes. The extent of those delegated powers should be set out in writing for the purposes of clarity, to protect those members in the committees making those decisions, and to ensure good governance. Set out below are the requirements of the Constitution in relation to the make-up of a PCC, and the MAC will need to be set up within these parameters.

Sub Committees will include Finance, Buildings, Safeguarding, Health and Safety, Ministry and Outreach.

### MAC Membership

The ex-officio members are:

- The Ministry Area Rector (incumbent)
- Four Ministry Area Vicars
- Two Church Wardens, to be known as Ministry Area Wardens. (One of the Ministry Area Wardens will be appointed by the Rector and one will be elected by the Vestry Meeting).

The elected members are:

An elected representative from each church in the Ministry Area, or one elected member representing several churches (mutually agreed by the churches concerned).

The elected members of the MAC are fixed by the Annual Vestry Meeting but cannot exceed 25. If the MAC is too large it may inhibit efficient debate and decision-making. The MAC will appoint a Leadership Committee for regular operations, constituted from among the members of the MAC.

A Lay Chair of the MAC will be re-elected annually; Ministry Area Treasurer and Secretary are co-opted.

Additional people can be co-opted, namely:

- *up to 7 lay persons or clerics as determined by the MAC (including the Lay Co-Chair, secretary and treasurer if co-opted)*, subject to the overall maximum number of 25.
- such licensed Readers as determined by the MAC  
No retired cleric is eligible to be elected or co-opted.  
The number of lay members must be more than the number of clerics on the MAC.
- The MAC will meet, as a minimum, quarterly or more frequent as need arises with the Leadership Committee meeting bi-monthly.

### Ministry Area Rector and Ministry Team

The Ministry Area Rector will be a cleric appointed by the Bishop. He or she will have the rights and duties of the incumbent of the Ministry Area and will be collated by the Bishop and Inducted as Rector of the Ministry Area. The Ministry Area, as mentioned above, will be formed as a Rectorial Benefice but will be officially known as a 'Ministry Area.'

It is crucial that the MA works in a fully collaborative way drawing on the skills and abilities of both lay and ordained.

The model of ministry we are building is one in which lay and ordained ministers work in partnership and therefore the Ministry Team will include:

- All clerics licenced to the Ministry Area
- Licensed Lay Ministers (LLMs) licenced to the Ministry Area
- Other Lay Ministers as appropriate for each Ministry Area. e.g. Children/Youth Minister.

### Chairing of the MAC

The Rector or Lay Co-Chair will chair meetings. The role of the Lay Co-Chair will include:

- Offering strategic leadership to the Ministry Area.
- Helping plan and run trustee meetings.
- Taking the lead on ensuring that meetings are properly run and recorded.
- Taking the lead on ensuring that trustees comply with their duties and the charity is well governed.
- Could have a second or casting vote if a vote on a trustees' decision is tied, but only if the Ministry Area Council pre agree this arrangement.
- May act as a spokesperson for the charity.

The Lay Co-Chair is elected annually at the Annual Vestry Meeting. The Lay Co-Chair may be re-elected for five further one-year terms. If a previous Lay Co-Chair has been in the post for six consecutive terms, he or she can be appointed again but only after a period of one year has elapsed from the end of the last term as Lay Co-Chair. In exceptional circumstances the Archdeacon may allow the term of a Lay Co-Chair to be extended.

### MA Wardens

One of the Ministry Area Wardens will be appointed by the Rector and one will be elected by the Vestry Meeting.

### MAC Secretary

The MAC must appoint a secretary and can appoint a deputy secretary. The secretary will:

- Attend and keep minutes of the MAC meetings and of any Vestry Meetings.
- Send to the Archdeacon the names, phone numbers, emails and addresses of the Ministry Area Wardens.
- Send to the Area Dean the names and addresses of the persons elected to the Deanery Conference.
- Send to the Secretary of the Diocesan Conference the names and addresses of the persons elected to the Diocesan Conference

### MA Committees

The MAC may appoint sub-committees (including Ministry Team, Finance, Property) as deemed appropriate. Each church or group of churches within the Ministry Area may have a church committee and appoint sub-wardens. The MAC will decide which powers to delegate and, unless pre-authorised, all decisions of these sub-committees must be ratified by the MAC which retains overall responsibility.

### MA Council

General Rules:

The MAC shall appoint the following roles: MAC Secretary, MA Treasurer, MA Safeguarding Co-ordinator, MA Electoral Roll Officer, MA Gift Aid Secretary, MA Faculties Officer, MA Data Protection Officer, a MA Health and Safety Officer, MA Insurance Officer and MA People's Warden. The MA Rector's Warden will be ratified by the MAC. Clearly, it will be critical for there to be strong lines of communication between these MA roles and corresponding local Church Committee areas of responsibility.

### Ministry Area Forum

A Ministry Area Forum may in the future be set as a consultative body to the MAC if the need arises, towards ensuring that the voices of all parts of the Ministry Area are heard and good relationships are maintained with individual church congregations. However, at the present time this forum will not be constituted.

### Pastoral Districts

The Ministry Area will be geographically large and mainly rural. To enable it to work effectively it will be sub-divided into five Pastoral Districts: these are Crucorney, Llantillio Pertholey, Grosmont and Skenfrith, Llantillio Crossenny and Llanddewi Rhydderch. These Districts will correspond to the five existing benefices. In this way, relationships that have been built up between churches, congregations and communities over the years will be maintained. The previous Parochial Church Councils will remain, but henceforth be known as Church Committees. It will be critical that these groups continue to manage local church affairs whilst supporting the wider Ministry Area.

### The Electoral Roll

The MAC is responsible for the management of the Electoral Roll in the Ministry Area. Each church will be responsible for collating their own Electoral Roll, then forward it to the MA Support Officer to form the Ministry Area Electoral Roll. The Electoral Roll must be revised annually and renewed every five years as outlined in the Constitution of the Church in Wales.

### The Deanery

The future of Deaneries is uncertain at this time. A decision will be made at the Diocesan Conference in October 2022 as to the reconfiguration of Deaneries and their future. That decision will be reflected in an updated version of this document

### Safeguarding

As part of good governance, the Ministry Area will need to follow the Provincial Safeguarding Policy and recommended procedures. The MAC will need to appoint a Safeguarding Co-ordinator. The MA Safeguarding Co-ordinator will ensure all worship and activities in the Ministry Area are organised in accordance with the

policy and recommended procedures. The MAC will also need to identify people responsible for safeguarding in each church.

### Church Committees

Each church (or a group of churches) within the Ministry Area will form a Church Committee. Church Committees will be crucial to the day to day running of each church and to facilitate local ministry and mission. Members of these Committees will have no legal responsibilities and there will be no age limit.

The members of each Church Committee will be elected by members of the local congregation who are on the Ministry Area Electoral Roll. In addition to those elected, there will be ex-officio members and additional members may be co-opted.

Each Church Committee will have the following officers:

- Up to two Churchwardens (One of whom will be appointed by the Pastoral District Team Vicar, the other being elected by the congregation).
- Church Secretary
- Church Treasurer

The Ministry Area Council may delegate powers to each local Church Committee, allowing each church to retain a high degree of autonomy. However, the Ministry Area Council retains overall responsibility and certain matters affecting the local church will need ratification at Ministry Area Council Level.

## **2. Finance**

### Introduction

‘But who am I, and what is my people, that we should be able to make this freewill-offering? For all things come from you, and of your own have we given you.

I Chronicles 29.14

All who believed were together and had all things in common; Acts 2.44

We are called to be good stewards of the gifts that God has given us to use, we are required by law to make good use of the assets that we have control of. It is important that the financial systems that are in place fulfil the requirements of the law and reflect that we understand all of creation as belonging to God and under His ultimate authority.

### Roles and committees

The Ministry Area will have:

- a Ministry Area Council acting as the trustees for the Ministry Area

- a Ministry Area Treasurer and deputy
- a Ministry Area Gift Aid Secretary

The Ministry Area will have:

- a Ministry Area Finance Committee, made up of individual Church Treasurers
- a Ministry Area Support Officer

In support of these roles, individual churches will have:

- a Church committee
- a Church Treasurer
- a Church Gift Aid Secretary

### Role of the Ministry Area Council and Finance

Overall control of Finance

The trustees of the Ministry Area will be the Ministry Area Council (MAC) and will have overall responsibility and control for finance.

In order to control the finances, they will receive regular financial information. The trustees will delegate powers to a Finance committee made up of the treasurers from each church in the Ministry Area. The trustees will receive accounts which have been independently examined at the Annual Vestry as is current practice.

Financial issues that the Ministry Area Council will agree to delegate to the Finance committee:

1. Ensuring that Christian generosity and the Diocesan Vision sets the priorities for the MA
2. Agreeing how Ministry Share will be financed
3. Monitoring of Ministry Share payments to ensure rebate is achieved
4. Monitoring that Gift Aid and GASDS (Gift Aid Small Donations Scheme) is being claimed
5. Review of investment and property portfolio if appropriate
6. Setting the budget as appropriate
7. Setting spending limits for committees where appropriate
8. Monitoring the financial health of all churches in the MA including working with individual Church Treasurers and supporting them.

### Role of the Ministry Area Treasurer

- Pays total Ministry Area Ministry Share to the Diocesan Office
- Attends Ministry Area Council (MAC) meetings
- Provides financial reports for the MAC and Finance Committee
- May chair the Finance Committee or delegate this to another member as agreed by the MAC

- Consolidates all the financial information of the MA
- Arranges the annual independent examination\*\* on behalf of the MAC and coordinates this with the examiners and with the Church Treasurers where necessary
- Submits accounts information to MAC, the Representative Body of the Church in Wales (RB), and to the Charity Commission as appropriate
- Reports any concerns about the financial health of the churches to the Finance Committee and MAC
- Acting as contact point with the Diocesan Finance team
- Ensure all Gift Aid and GASDS claims have been submitted for the previous year by relevant individuals
- Ensure all year end accounting adjustments have been undertaken
- Consolidate accounts once investment valuations are received
- Arrange independent examination of accounts \*\*
- Present previous year's examined accounts to the Ministry Area Council and at the Annual Vestry Meeting
- Submit accounts and annual report to the Charity Commission by the deadline of 31st October
- Submit Annual Returns for Ministry Area to Representative Body
- Ensure GASDS claims submitted by relevant individuals
- Prepare budget for following year and present to the Ministry Area Council
- Check the status of Ministry Share payments across the Ministry Area
- Ensure Ministry Share standing order to the Diocese is set up

#### *Independent examiner\*\**

*An independent examiner as described in the Charities Act is 'an independent person who is reasonably believed by the charity trustees to have the requisite ability and practical experience to carry out a competent examination of the accounts. Once a charity's gross income exceeds £250,000, the examiner must be a person who is a member of one of a list of regulated bodies listed in the Charities Act and should be allowed by the rules of that body to undertake the role of independent examiner*

#### **Role of the Ministry Area Support Officer**

The MAC will appoint a Ministry Area Support Officer to assist in maintaining the financial records of the Ministry Area along with other administrative tasks for the Ministry Area Leader and Ministry Team. They will also assist the Ministry Area Treasurer.

The Ministry Area Bookkeeper/Administrator will also assist the Ministry Area Treasurer and the MAC or Finance Committee by having an overview of the finances as they are recorded and spotting any significant changes in expenditure or income.

#### **Role of the Church Treasurer**



- Keeps financial records for all bank accounts, investments and property relating to their church
- Maintains accounting records for the church using myfundaccounting software.
- Provides financial information for church committee and Ministry Area Finance Committee
- Provides supporting documentation for Independent Examination
- Agrees and pays Ministry Share contribution and share of joint expenses to Ministry Area Treasurer
- Makes payments for the church.
- Banks money immediately.
- Reports any default on Ministry Share to the Ministry Area Treasurer
- Attends church committee meetings
- Attends Ministry Area Finance Committee

#### Role of the Ministry Area Gift Aid Secretary

- Registers the MA with HMRC once Charity Commission registration is complete
- Sets up a Government Gateway for the Ministry Area (this is a once-only requirement).
- Collaborates with Church Gift Aid Secretaries to:
- Agree an anticipated schedule of claims for each individual church
- Agree passwords for data transmission, as this includes personal data it must be protected
- Receives completed schedules from Church Gift Aid Secretaries and collates these into a claim
- Submits the collated claim via the Government Gateway
- Alerts the Ministry Area Treasurer to the amounts claimed for each church on submission
- Alerts the Ministry Area Treasurer/Finance committee to any church not making a claim at least annually
- Gift aid when received will be accredited to each church according to its claim

#### Role of the Church Gift Aid Secretary

- Explains the various options to new church members and enables tax-efficient giving
- Ensures that there are Gift Aid envelopes, standing order and BACS details are available for regular worshippers and visitors
- Ensures that Gift Direct leaflets are available in church

- Ensures that information and link is on the church website if available, for online Gift Aid sign-up
- Notes the giving made by BACS, standing order, numbered envelope, visitor envelope, cash collections and wall boxes
- Keeps records of all donations
- Forwards the details of donors and gifts to the Ministry Area Gift Aid Secretary at agreed times using the appropriate HMRC schedule.

NOTE: The data must be protected by a password known to both the Church Gift Aid Secretary and the Ministry Area Gift Aid Secretary

### ***Accounting and reporting***

NOTE: Accounts will be produced annually to 31 December as currently.

### **Church in Wales Accounting Rules**

All Ministry Area Councils are required to prepare an annual report and accounts, which must:

- Comply with the Church in Wales Constitution and the Accounting regulations set out within the Constitution and Charity Law
- Be retained along with all of the accounting records for 6 years
- Be available for inspection by the Archdeacons
- Be available to the public on request

### **Ministry Area Bank Accounts**

The Ministry Area Council (MAC) is the trustee body of the charity. It is for the MAC to determine how it wishes to control the use of bank accounts. It is important to remember that the MAC cannot delegate the responsibility for the charity's finances.

It can, however, choose to delegate operational powers, but it will need to set clear details of what is delegated and ensure that any delegated powers are helping to deliver the charity's outcomes. The MAC may also decide to withdraw any delegated powers.

### **Name of Bank Account**

The Ministry Area will operate one current account, in the name of the MA. This account should be used for payment of share and expenses which are to be shared across the Ministry Area. It will be funded by transfers from church accounts.

All funds, whether in Ministry Area or Church accounts, however remain legally under the control of the MAC and, as such, operational controls and safeguards need to be put in place.

Trustees need to exercise effective general control over their charity's bank accounts and make regular checks to ensure that these are operating as intended and are consistent with the internal financial records.

### **Signatories**

Charities are required to have a minimum of two signatories on each bank account and dual authorization processes are also required.

We would suggest having 4 signatories on accounts.

Church accounts will typically follow the following model: two signatories from the church holding the account plus two signatories from the MAC (typically to include the MA Leader). This means that day-to-day business can be carried out by the two church signatories, but the trustees can have confidence that, if they need to, they would be able to access the account for accountability purpose.

### Reserves

NOTE: With very few exceptions the church building is owned by the Representative Body of the Church in Wales. It was never a parish asset and is not an asset of the Ministry Area Council. In some cases, this also applies to the Church Hall. Some church halls, if they are not directly owned by the parish (and therefore now the MA), are owned by the Diocesan Board of Finance on behalf of the MA and should be recorded as MA assets.

Assets fall into three categories:

- a) Restricted – the asset can only be used for the purpose laid down by the donor. (This includes funds or gifts that have been given by donors for use by a particular church.)
- b) General (unrestricted) – the asset can be used for any work of the charity
- c) Designated – the asset has been set aside for a particular purpose by the MAC, with the designation being recorded in the minutes. Assets can also be subsequently undesignated by the MAC.

As well as assets, liabilities are also the responsibility of the MAC, and so MAC members do need to be aware of any outstanding debts.

### Assets and liabilities

As charity trustees, all members of the Ministry Area Council are responsible for the assets and liabilities of the charity that is the Ministry Area.

The assets of the Ministry Area are likely to be:

1. Property (e.g. church halls, houses, land etc.) recorded as a fixed asset
2. Investments held as shares (e.g., Funds held with external fund managers, C in W Common Investment Fund), recorded as fixed assets investments
3. Investments held as cash (e.g. deposit accounts, bonds) recorded as current assets

### Gifts and Legacies

All charities are required to deal with gifts (made during the donor's lifetime) and legacies (specified in a Will after the donor's death) according to the wishes of the donor. Donors are encouraged not to be overly specific about how they wish the money to be used, but to rely on the trustees to know how best to use such gifts.

It is important to remember that the Charity Trustees, i.e. members of the MAC, are legally responsible for all the assets and liabilities of the charity. This means that the

MAC cannot decide to move all money into a central pot to spend as it will; the restricted funds must be honoured.

### Reserves Policy

The Ministry Area may keep money aside as a reserve to protect the charity against drops in income or to allow it to take advantage of new opportunities. The charity's reserves can be spent on any of its aims. A charity can also choose not to hold reserves. The MAC must write a reserves policy to explain to others why you are setting money aside rather than spending it on your charity's aims.

Reserves policy should set out:

- how much your charity needs to hold in reserve and why
- how and when your charity's reserves can be spent
- how often the reserves policy will be reviewed

You can set aside enough money to meet a potential need, such as an unexpected drop in income. If you set aside money for a specific purpose, such as building works, make it clear that this is separate from the charity's general reserves.

### Standing Orders and Resolutions

There will be one general account for the MA for Share and other expenses to be shared across the Ministry Area.

Each church will retain its existing bank accounts but will make transfers to cover share and other joint costs to the Ministry Area account as and when needed.

Transactions will all be recorded on *MyFund Accounting* and available to the Ministry Area Treasurer and Support Officer.