



NOTES / HOW TO USE THIS DOCUMENT

This document is designed to outline the expectations and commitments between all parts of the Ministry Area (MA) in working together. Experience from other Dioceses has shown us that where a similar working agreement is in place, the work and communication in the Ministry Area flows far smoother.

This document is not exhaustive or dictatorial. There are many considerations that the MAC members will need to discuss and agree amongst themselves, and these will necessarily vary from MA to MA.

These notes provide some narrative behind the expectations, some recommendations, and some thoughts for consideration. They should be read when completing the agreement.

Items designated as “Initial” are one-off items that are necessary in the initial 12 months of the Ministry Areas formation.

Introduction

This section sets the landscape of the MA, all names and numbers should be completed to ensure inclusion of all parts of the MA.

Finance

Finance Sub-Committee: A template Terms of Reference is included as **Appendix I**.

Initial:

- **Asset List:** The reasoning for compiling this listing is 3-fold:
 - The Trustees must be aware of all the assets they are responsible for.
 - Restricted funds are provided through donor or bequests for specified projects, works and/or beneficiaries. The beneficiaries and purpose of the fund must be identified, acknowledged, and recorded. The MAC must ensure that the funds are only used for the purposes they were provided.
 - If the beneficiary is a former parish or benefice, then this will now revert to the whole MA. However, the Trustees should consider whether the fund should be available for use throughout the MA or whether it should be designated for use in its original location. If designated, this should be reviewed in two years' time.

- Former Parishes/Benefices may already have Designated funds. The MAC Trustees should consider whether these designations should be available throughout the MA or if the designation should be specified within the funds original location.

Although the legal entity is now the MA and the latter two funds are now the responsibility of the MAC, building a trusting and co-operative relationship throughout the MA may take time. Some MA's may already work closely together; others will be at the beginning of this process. It may be prudent to ring-fence or designate specific funds now and re-visit alongside the working agreement review in two years' time when the relationship is more established.

- **Employees:** This process is called "TUPE". The new contracts should be issued on the same or better terms than the original and all employees should have equal basic terms and conditions (e.g. holiday leave, comparable salaries for similar roles etc.). All employees should retain their length of service. Further information can be found here: <https://www.acas.org.uk/tupe>
- **Financial Accounts:** This software is being installed throughout the Church in Wales. It will aid MA's to monitor funds across its churches in "real time", ensuring that Trustees are fully informed. Financial Annual Returns to the Representative Body will be sent directly from the software.
- **MA Bank Account:** As the MA is now the legal entity there will be items that can only be transacted on an MA basis e.g. Gift Aid Claims.

Gift Aid Claims: HMRC will require claims to be made in the name of the registered charity, i.e. the MA. The MAC should decide on how these receipts should be used. Some MA's may choose to distribute them to their churches with or without a distribution formula. Other MA's may decide to pay them into a joint MA account. The practicalities of how this will work could be passed to the Finance Subcommittee to discuss and recommend to the MAC.

Bank Accounts: Consider the following options for the structure of bank accounts:

- a) Individual bank accounts retained for each church/church group, maintaining the current fund values. A naming structure could be used, e.g. XXXXX MA, XXXX church.
- b) As above, with limited funds held in each account, most funds held in a joint MA account and the majority of expenses paid out from the MA account.
- c) One bank account only for the whole MA, that individual churches can deposit income into, but all expenses are paid out from.

Consideration should be given to:

- the size of the churches: a MA of many small churches may value option c) whereas, a MA of a few larger churches may have many more transactions and find a) or b) more practical.
- The availability & capacity of treasurers: a small group of treasurers within an MA may choose to co-ordinate the workload and opt for c); a large group of treasurers with full time employment or other commitments might find a) or b) a more manageable structure.
- Is there another structure that would suite the MA better? Perhaps even a combination of the above.

Expenditure:

These operating policies in respect to Budgets, Additional Expenditure, Contracts and Services, Employees, Expenses of Office, and Annual Accounts are not designed to restrict the work of our churches, but to ensure that the Trustees are fully aware of the financial liabilities of the charity and can ensure that there are sufficient liquidable funds to meet financial commitments. The Trustees must be able to demonstrate that they cannot be deemed “recklessly negligent” in governance. Formulating and upholding these policies will form part of that demonstration. The limit will also ensure that larger spends fall within the priorities of the MAC and MAT teams.

*Please Note: Persons other than authorised MAC signatories cannot legally act on behalf of the church or the charity of the MA and **may be personally liable for any commitment of funds.***

Standardised expenses of office across the MAC are required to ensure that all persons are treated equally and fairly. The Church in Wales sets out guidance on the re-imbursement of clerical expenses which can be found here:

<https://www.churchinwales.org.uk/en/clergy-and-members/clergy-handbook/parochial-expenses-clergy/>

The Diocesan Office can provide further support on financial policies and procedures to the MAC’s or their Finance Sub-Committee.

Ministry Share: Support and guidance in the apportionment process can be provided through the Diocesan Staff on request. As the Ministry Area is now the legal entity, any arrears will be allocated to the MA. Demonstration of ongoing monitoring and review of the apportionment levels will be required in the event of an assistance grant application at the end of the year.

Ministry Share payments received by the Diocesan office will be assigned to the Ministry Area only, not individual churches. Ministry Share correspondences will be with the MA Treasurer. Consider the following options for the payment of Ministry Share:

- a) All churches will make share payments into a joint MA account. Share payments will then be made to the Diocesan Office from the MA account. All churches are responsible for tracking and evidencing their own payments.
- b) Churches will continue to make share payments directly to the Diocesan Office, ensuring that the MA name is referenced in the payment. All churches are responsible for tracking and evidencing their own payments.

Please note that Ministry Share arrears prior to 2023 will not be carried over into the Ministry Area. These instead will be “parked” against the churches of the original parish/benefice. These arrears will be reviewed in 2024 once our MA’s have had an opportunity to establish themselves and are able to provide representation to the review body, the Ministry Share Working Group.

Property Management

The scope of the work for this sub-committee could range from keeping a watching brief to ensure legislative compliance and appraising the MAC of future budgetary requirements, to project management of larger building projects. It could also work with the Ministry Team (MAT) and the MAC to envision re-ordering projects (or new builds) that enhance and develop ministry in the MA. The focus here is not on restricting individual projects but on sharing tasks, experience, gifts, and skills.

As the trustee body, the MAC can evidence its due diligence by auditing legislative compliance and maintaining an awareness of financial commitments now and for the future.

Current Initiatives. This will provide the MAC with an understanding of the current financial commitments. Some projects may need to be converted into the MA name, but advice should be sought from contractors, funding bodies or other third parties before implementing. For a project nearing completion this may not be necessary, however, a project that is currently in the funding application stage may be required to declare the change in structure.

Legislative compliance - The responsibility to ensure our buildings are adequately insured and maintained lies with the MAC Trustees. These duties can be passed to the respective church committees to carry out, but the MAC should ensure that they are being addressed appropriately.

Quinquennial reports – by co-ordinating works across the MA we can ensure that neighbouring churches are not competing for funds from grant awarding bodies and fund-raising opportunities. We can also share gifts and skills across the MA in the application processes and good practice.

Membership of this committee should include those with a knowledge of building management/ church buildings. It may be appropriate for church sub-wardens, health and safety representatives or others within the MA who have building management skill sets.

Further documentation on the Property Sub-Committee and template Terms of Reference will be provided by the Diocesan Office shortly.

Ministry

The Ministry Team (MAT) are licensed by and responsible to The Bishop for their respective ministries. Although they cannot be directed by the MAC, they share the same aim: to support the ministry, mission, and growth of The Church. The list is not exhaustive; these are simply the most common roles across the Diocese. It may prove difficult to bring the whole Ministry Team together every month, but the meeting time and venue should be accessible to all, and not exclude members *e.g.* those with full-time work commitments.

Governance

Dignity Charter

The dignity charter was first approved by the Governing Body of the Church in Wales in September 2022. At its meeting in April 2023, it again endorsed its adoption throughout the Church and launched its A4 poster for display on noticeboards.

The full poster and further details can be found on the CinW website:

<https://www.churchinwales.org.uk/en/publications/administration-and-business/dignity-charter/>

Charities Commission Registration

One of the first duties of the MAC Trustees will be to ensure that the charity is registered with the Charities Commission. The way that we achieve this will vary, depending on the current registrations within the MA.

- For MACs with no registered PCC/BCCs, the Diocesan Office will provide a step-by-step guide to registration.
- For MACs with 1 registered PCC/BCC, the existing registration will amalgamate the rest of the MAC into their registration.
- For MACs with 2 or more registered PCC/BCCs they will be amalgamated into one registration, along with any remaining churches in the MAC.

Advice and support on the amalgamation of registered charities will be available from the Diocesan Office.

Communication

Internal communication: This section aims to bridge the internal communication gap that we have between the various bodies of the Church. By encouraging discourse and sharing minutes it is hoped to provide a transparency to discussions and decisions. We want to develop two-way communication between the respective bodies. We encourage MAC's, through their representatives, to raise queries or ask for further information as required.

Sharing a copy of the Working Agreement with the Diocesan Standing Committee will communicate your progress to the Standing Committee and inform decisions that it may take. It will also enable the Diocesan staff to tailor future support to your particular MA setting.

External communication. This section is about pooling resources and connecting as one cohesive MA. Many of churches already have a distinctive link into their local communities and our communications should not dampen that or preclude existing church websites or social media pages. The aim instead is to enhance and expand that presence.

Confirmation

This agreement may require a draft process to enable discussion at church committees or other sub-committees. It should only be signed once the MAC is confident of its content. MAC agreement for each element should be by majority vote and should be minuted.

It is important that the content of this document is disseminated throughout the Ministry Area so that all parties are aware of the working expectations.

Church representatives need to play an active role in the communication between both bodies the signature chart aims to clarify who will undertake ownership for this.

Review

The way in which we work changes over time. There are many variables that dictate these changes, e.g. technology, personnel, skill sets etc. It is recommended that this document is reviewed every 2 years. A review does not necessitate change, it could merely confirm that the working arrangements are still effective.

We recommend that a specified person is responsible for scheduling the review date, it seems appropriate that this is the MAC Secretary.

Modifications Log

This document is likely to be in existence for many years. If changes are made it is good practice to briefly summarise the change and update the version number, for ease of reference.

Andy finally.....

This document is not exhaustive, it is provided as a helpful resource and explanation. There may be other factors that the MAC considers worth including, or elements that require modification. Please feel free to adapt it to suit your MA.

If you would like clarity or further information on any element, please contact either:

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