

## Circuit Funds

18<sup>th</sup> September 2019

### Aim

The aim of this document is threefold:

1. To enable the continuing mission of the South West Tyneside Circuit.
2. To give reassurance that the Circuit, which is a charity, intends to use all of the money coming into its care for the purposes of the charity.
3. To agree priorities for the use of the Circuit Model Trust fund.

This document includes all funds held by the Circuit Meeting as charity trustees as at 31st August 2019. Our Reserves Policy relates to our general (unrestricted) funds which are freely available to be used for any or all of the purposes of the Circuit.

### Mission policy

The Circuit's Mission Policy is set out in a separate document. The Circuit funds essentially provide for:

- The ministerial oversight, pastoral care and mission of the 13 local churches in the Circuit and the development of the ARK as a fresh expression of church.
- The support of a ministry team of four presbyters and one deacon.
- The maintenance of five Circuit manses.
- The resources for lay employees who assist the work of the Circuit.
- Assistance to the churches in the Circuit to help develop their property for mission and to ensure compliance with fire, health and safety and disability regulations.
- Grants to the churches to assist in employing lay workers especially with regards to families, children and young people.
- The expenses related to Local Preaching and the life of the Circuit in worship, mission and care.

### Financial Stewardship

The Christian Stewardship Network captured the essence of what it means to be a steward when it said:

*"We are followers of Jesus Christ, and we seek to enter into his thinking about wealth and its place in our life and actions both individually and collectively. Continually looking to see if it is producing the fruit of the Spirit and the signs of the Kingdom. Having a sense of gratitude to God for the resources entrusted to us. Applying wisdom in being good stewards of all resources. Deepening a sense of trust in God's ability to provide for our needs rather than depending upon our own sense of financial security. Sustaining a spirit of mutual care and the sharing of resources with one another. Being faithful in using our resources in ways that release new possibilities and care for those who minister on our behalf."*

Stewardship Network Good Practice Guide

The Circuit Budget is reviewed annually in conjunction with the church treasurers and presented by the Circuit Stewards to the March Circuit Meeting. The budget covers the costs of the above and the Assessment for each church is based on an agreed formula. The formula is based on membership, attendance, ministerial workload and income.

The Circuit Stewards have developed a schedule of maintenance for the Circuit manses and a budget, currently of £12,000, is made for this work each year.

The Circuit unrestricted general fund balance at year end 31st August 2019 was £166,500.

CFB a/c = 152,412 (*This includes the assessment contribution from the churches for the first quarter*)

CAF a/c = 14,156 (*Current account*)

In addition the Circuit has 2 restricted funds:

Community Mission Worker a/c = £10,000

Circuit Youth Worker a/c = £ 4000

Under Standing Orders the Circuit must meet its financial obligations in relation to the support of its ministers, the maintenance of the manses and support mission and outreach work in the Circuit. The total cost for the last financial year was £ 274,400 (*unaudited*). The agreed budget for this financial year is £314,600.

## **Reserves Policy**

The Circuit has the following reserves policy for the General Fund:

The Circuit recognises the need to maintain a small reserve in the general fund to enable it to function effectively and to maintain a balance in the account. Additionally the Circuit needs a reserve as a contingency for unplanned property expenditure and necessary assistance to the churches.

The general fund reserve should be a minimum of £70,000 and no more than six months expenditure.

At present the reserve is about £100,000 and the aim is to maintain this reserve.

The Circuit Stewards and Treasurer will monitor the reserve and review this policy annually.

## **Circuit Model Trust Fund**

### ***Where does the fund come from?***

This fund derives from sales of chapels and manses. Following changes to Standing Orders in 2009 Circuit Model Trust Funds are now categorised as unrestricted funds and may be used for property, mission and outreach. (Standing Orders relating directly to CMTF are SO915, 916, 917, 955). The CMTF incurs a levy towards the District Advance Fund. The first £100,000 is at 2½ %, £100,000 to £250,000 is levied at 5 %.

### ***What is the fund for?***

The Circuit Stewards propose that this fund should be used to promote the mission of the Circuit, namely to enable our churches to proclaim and affirm God's love, for us and for all people; through our worship, discipleship and care, and through our mission in service and evangelism.

In particular the fund should be used to:

- Develop opportunities for mission and evangelism
- Enliven acts of loving service in the community
- Encourage discipleship and growth in Christian life and faith
- Enable church communities in their worship

### ***How is it managed?***

The CMT fund will be managed by the Circuit Leadership Team and applications to the fund should be made through the CLT and be brought with due consideration and discernment to the Circuit meeting. Therefore, churches will be expected to apply for grants in writing and show the benefit of the project in light of the Circuit's mission statement.

*Please contact a Circuit Steward for an application form.*

Applications should highlight what other grant making bodies have been approached. In the planning, factors such as sustainability of funding for on-going work must be included as Circuit Grants will have a finite time period.

The Circuit meeting will expect that churches provide updates on the progress of any work enabled by the grant and opportunity to review the objectives.

- Grants will usually be no more than 1/3 of costs.
- The total amount applied for should usually be less than 10% of the CMT fund.
- Grants will not normally be considered for general maintenance of property unless it avails other grant making bodies, such as the District.

Loans may be considered up to a maximum period of 5 years to support work in the short term and so maintain the fund for later use. Loans will be considered under the same criteria as grants.

Given that some projects require a swift response from the Circuit, and Circuit meetings can be 6 months apart, it has been agreed by the Circuit Meeting that a small grants fund is established annually and that the CLT is given a limit of £10,000 a year to sanction small grants (up to £2,000) on the same basis as above.

### ***How much is in this fund?***

The Circuit granted the following amounts from the CMT fund in the year 2018-2019

- **£6,000 Community Mission Worker** (£6,000 a year for 3 years – Approved 9/1/2018)

The balance at year end 31st August 2018 was **£151,916**.

Money held in the CMT fund has been allocated by the Circuit for the following missional purposes in future years:

- **£12,000 Community Mission Worker** (£6,000 a year for 3 years – Approved 9/1/2018)
- **£30,000 Strathmore Road Development Project** (as required in next 5 years – Approved 15/3/2018)
- **£10,000 Loan for Strathmore Road Development Project** (only for contingency purposes – Approved 15/3/2018)

The total funds allocated are £52,000, leaving the unallocated CMT fund at **£99,916**.