

Formation of a "Friends' Scheme"

PCC together with Incumbent and Churchwardens need to make a formal decision to create a "Friends' Scheme".

Terms of reference

These are the objectives of the Friends, and need to be clearly defined as part of the constitution.

The task of Friends is not to provide funds for general housekeeping bills e.g. heating and lighting, which should be borne by the worshipping community. The task instead is to fund work relating to the fabric of the building.

Membership of Friends

Membership can be open to anyone who is prepared to support the objectives. They should be drawn from as wide a circle as possible.

Remember, if church members join they still have a responsibility to help fund the day to day costs of the parish through their regular giving. This should be kept in mind to avoid funds simply being diverted.

Services to members

You will need to consider where your members are coming from. They could be :-

- Local residents
- People living outside the area, but with local connections
- Visitors who wish to support you for whatever reason

If they are local you can hold events both for fund raising and to inform, but if they are from further afield you will need to keep them up to date, perhaps through a Newsletter once or twice a year. A web resource might also be viable.

The activities of Friends

These should be organised by members of the Friends, and so you will need to find enthusiastic people prepared to take on the commitment. Ideally some of those involved will be non-church members who move in different circles, either through business or socially.

Friends should be in a position to widen the circle of people who contribute to the church.

Types of Schemes

There are three basic options:-

1. A Sub-committee of the PCC

Advantages

- Fully controlled by PCC
- Enjoys Charity Status of PCC
- Can receive tax efficient donations
- No separate constitution required

Disadvantages

- May not attract a wider membership
- Organised by existing church members
- Officers must be on the electoral role
- No executive powers

2. An independent organisation

Advantages

- Can attract support from wider community
- Seen to be separate from the religious activity of the church
- Easier to find outside persons as patron/trustees
- Organisation does not fall on church members

Disadvantages

- Length of time to set up
- Needs a separate constitution, accounts, AGM, bank account and officers
- Needs to be registered as a separate charity under the Charities Act 1993
- Charity Commission has to approve scheme
- Annual reports etc. have to be submitted to the Charities Commission
- The PCC has no control over the funds.

3. A perpetual Fabric Fund

Not strictly a "Friends' Scheme", but worth considering. A Trust is set up for an individual church building. Capital is raised which is invested, and then only the income is available for use and such income is restricted to financing work on the building. There is also a provision for 20% of the capital to be borrowed and paid back over a set period.

Advantages

- Attractive to someone who wishes to donate only for the church building.
- Easy to run
- Perpetual

Disadvantages

- A trust deed needs to be set up
- It may take some time to raise sufficient funds to produce a reasonable income
- Only income can be spent Requires a considerable sum to be raised

Do not be tempted to take short cuts. An informal scheme could breach charity law, could be open to fraud, and PCC could lose representation.