



Parish Officers Refresher

6 May 2017

Trusts

The NB Anglican Corporations

The **Anglican Church Act, 2003** continues and empowers the main Anglican corporations:

- The Diocesan Synod
- The Cathedral of Christ Church
- Several dozen Parish Corporations

Implications of Corporate Status

- Own & manage property, including insurance and investment policies
- Sue & be sued
- Conduct lawful annual meetings for election of officers, consideration of audit report, etc
- Conduct parish business at regular meetings of the parish corporation (“vestry”), avoiding conflicts of interest
- Perpetual preservation (either locally or in the Diocesan Archives) of parish corporation records, especially minutes, **INSURANCE POLICIES** and **TRUST** documents

Handling Parish Financial Assets

- Donations with no strings attached
- Donations with strings attached (donations in trust)

Gifts with No Strings Attached

- For example,
 - The weekly offering
 - \$\$\$ arriving under someone's will (for example: "*My estate is to be liquidated and to be paid out as follows – To St George's Anglican Church, Bairdsville, 25% of the residue*")
- Parish Corporation may expend assets lawfully for any charitable purpose (usually "advancement of religion") inside or outside the parish
- Parish Corporation's records should not refer to these type of donations as "trusts" as that will only cause confusion later. Just call it a fund.

Gifts with Strings Attached (Trusts)

- The Parish Corporation can tie its own hands, as when it solicits money for a specified purpose (eg, *repairing the roof*). Any money donated in response to such a request is money that the Parish Corporation must hold in trust for the stated purpose.
- A donor may spontaneously offer money to the parish but attach strings (eg, *to invest the principal amount and use the interest to support the Sunday School*). If a Parish Corporation accepts such a donation, it must treat the asset as money in trust and must abide by the terms of the trust.

Implications of Holding Trusts

- Trust assets may be used only in accordance with the terms of the trust. The Parish Corporation is powerless to alter the terms of a trust once accepted. So is the donor. This means that Parish Corporations should solicit donations and accept donations with great care.
- If a trust becomes impossible to carry out (eg, *a trust to maintain the organ when the parish has got rid of it*), the Parish Corporation may seek a court order to reframe the terms of the trust.
- If the Diocesan Council dissolves a Parish Corporation the Council has some authority to repurpose trusts that have become impossible to carry out.

Implication of Holding Trusts (con'd)

- The Parish Corporation has a duty of prudent investment of trust assets. Either invest it in the Diocesan Consolidated Investment Fund or elsewhere. If the investment vehicle is not the DCIF then the Parish Corporation should probably have an investments committee.

Take-aways

- If the Parish Corporation accepts assets mandated for a specific purpose then it's a trust.
- Once a trust is established, the asset can be used only for the purpose and in the manner specified. Be careful what you solicit and what you accept.
- The terms of a trust cannot be altered except by application to court.
- Print the terms of the main parish trusts as an appendix to each year's annual report.

THANK YOU

- For your attention
- For your serious commitment to your role as Parish officers