



Transfer of Trusts to Baptist Union Corporation

Frequently Asked Questions



Who are our church's trustees?

A church's 'managing trustees' are the deacons & minister. They are responsible for the day to day running of the church.

However, any church which owns property will have a trust deed which states who the holding or property trustees are. For most Baptist churches in the North West, this is either NWBA or Baptist Union Corporation. Some churches have named individuals known as private trustees.

Churches whose trust is already with BUC are not affected by this change. Churches with private trustees do not *need* to change, but given the difficulty of recruiting suitably qualified trustees, some may *wish* to do so.



We don't think this letter applies to us/ you have written to the wrong person/ you have our church details incorrect

The initial letter has been sent to the person listed as Church Secretary on the BUGB database. It has been sent to those churches listed as having a trust with NWBA. Contact details are drawn from the annual return which all churches are asked to complete in January each year. If a church has made changes since then, it is possible that the information has not been updated and we have incorrect contact details. If you believe the letter to be incorrect, please let us know (preferably by email) and we will check your details.



Why do NWBA want us to change our trustees?

1. Baptist Union Corporation employ a suitably qualified, skilled and experienced team who are able to provide a better service to our churches.
2. There is a need to review how Baptist resources across the country are deployed. Having trust work duplicated in the North West and nationally is not good stewardship.



How much will it cost us?

If we receive the completed agreement form to transfer to BUC before 31 October 2016, NWBA will bear all the legal costs.

If we do not receive the completed form by that time, or if the church chooses to transfer to another trust arrangement, the church will need to bear the legal costs themselves. This will involve engaging a solicitor to draw up the new trust.



Are there alternatives to what you are proposing?

Yes.

However, doing nothing is *not* an option. From January 1, 2017, NWBA will no longer operate a trust company.

A church may choose to appoint private trustees or to seek another trust company.



Why shouldn't we appoint private trustees?

Private trustees are named individuals. Unless a church has registered as a charitable company or charitable incorporated organisation, the trustees have *unlimited* liability for the church's debts and responsibilities.

Named individuals, even if they are willing to take on this responsibility, grow older, move away and, sadly, die. It is, therefore, necessary to ensure that the church's trustees are kept up to date. This is an increasingly difficult task.



Why shouldn't we appoint another trust company?

Trust work is a specialised legal field. Finding a suitable trust company will not be an easy task.

We do not believe that any such company can rival the specialist knowledge of Baptist Church life which BUC can offer.

There are likely to be costs to the church in using a private trust company.



Why are you proposing this now?

Baptists Together have recently undergone a period of review and reflection – *the Futures Process*. NWBA is developing its own response to these changes and, over the next 18 months will be undergoing a *transition* process of our own better to reflect the needs of our member churches.

It would also be dishonest to say that there are also financial pressures which need to be addressed. However, while these are real, they are not the prime driver behind these changes. We believe that by transferring your trust to BUC you will receive a better service.



Our trust deed states that if the church closes the assets of the church must be used for mission and ministry within the North West. Will that change?

No. This change does not alter the provision of your trust deeds. The only thing which changes is who *administers* those deeds.



We are a Local Ecumenical Partnership. Haven't our trust deeds been superseded by the Constitution?

No. Legally, the previous Baptist Church continues to exist and still has trustees for the Baptist portion of the LEP. Decisions are, of course, governed by the Sharing Agreement. All of this will be taken into account by the legal team in transferring the trust to BUC.



Will this trigger a cessation event?

If your church has a pension deficit, it is extremely important to ensure that a cessation event is not triggered accidentally as this would require the whole of the deficit to be repaid. BUC and Fiona Bruce & Co have worked together to ensure that changing the trustees does not trigger a cessation event. This is yet another reason why we strongly recommend using the package we have put together.



NWBA is only trustee for part of our property (for example, church building, but not manse). What should we do?

This proposal only requires you to change the trustee where NWBA is the trustee. However, where trust arrangements are complicated, it may be opportune to bring them together into a single trust. Please speak to Tim Presswood about your particular situation.



Our trust is with NWBA but we are not members of BUGB.

NWBA strongly believe that associating with other Baptist churches is central to our expression of faith. New churches joining NWBA are automatically enrolled as members of BUGB with whom we work very closely. We would, therefore, strongly recommend that your church join BUGB.

However, this change affects only the church's trust. There are already a few churches who are not members of BUGB but whose trust deeds state that the trustees are the Baptist Union Corporation. If, for some reason, the church cannot join BUGB, we would still recommend that you move your trust to Baptist Union Corporation.

If a church chooses not to move its trust to BUC, it will still need to move its trust.

NWBA will no longer have a trust company and will not be handling trust work after 1 January 2017.



What happens if we do not agree to move our trust?

We are asking churches to respond within four months. All that is required by 31 October is that we receive an indication of the church's willingness to move its trust deeds. NWBA will continue to operate a trust company until 31 December, 2016.

After December 31, 2016, NWBA will no longer run a trust company and will refer all trust work to Baptist Union Corporation. BUC would be within its rights to charge for any such work which charge would have to be passed on to the church.

The actual work of transferring the trust will be done between October 31st 2016 and December 31st 2016. If we have not heard from you by 31st October, but do subsequently hear that you do wish to be part of the transfer process, there may be additional costs which, again, will have to be passed on to the church.