

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

Guidelines for Reallocation of Endowments

It has been the accepted practice within the Church that certain endowments are applied for stipend purposes and certain for fabric purposes. Income derived from standard charges and endowments provided for stipend purposes and glebe rents have invariably been applied for stipend purposes as has the income on capital derived from the redemption of such charges and endowments and from the sales of glebeland. The proceeds of sale of functional properties such as churches, halls, manses etc have, on the other hand, tended to be applied for fabric purposes.

These general principles will continue to apply and the starting point is that what have traditionally been Stipend Endowments will be applied for stipend purposes and what have traditionally been Fabric Endowments will be applied for fabric purposes. It is the intention, however, that there should be greater flexibility than there has been in the past in order that endowments are applied to best advantage looking to the needs of the benefiting congregation. The General Trustees look to Presbyteries to advise them on the extent to which in particular cases there should be a reallocation. The rules to be applied are as follows:-

A. *Stipend Endowments*

Funds held for stipend purposes are held as permanent capital. They fall to be placed in the Consolidated Stipend Fund and the income is applied towards the stipend of the benefiting congregation, the term "stipend" to be construed in this context as the cost of providing a minister and other members of the ministry team as defined in Section 16 of Act VII 2003 for the congregation concerned.

If it is the view that the amount held or to be held for behoof of a particular congregation is in excess of its reasonable requirements for stipend purposes, Presbytery must then look to the fabric monies held by or for behoof of that congregation and if it considers that the fabric requirements of the congregation are not sufficiently endowed it should propose that the whole or part of the surplus stipend endowments be moved from the Consolidated Stipend Fund for behoof of the congregation to the Consolidated Fabric Fund for its behoof.

In the event of Presbytery being of the view that after satisfying fabric requirements there are still surplus stipend endowments held for behoof the congregation these will be allocated for the benefit of the Minimum Stipend Fund.

B. *Fabric Endowments*

Funds held for fabric purposes are placed in the Consolidated Fabric Fund for behoof of the congregation concerned and both capital and Revenue Account are maintained in each case. Capital as well as revenue may be expended.

If it is the view that the amount held or to be held for behoof of a particular congregation is in excess of its reasonable requirements for fabric purposes Presbytery must then assess the stipend monies held by or for behoof of that congregation and if it considers that stipend requirements are not sufficiently endowed it should propose that the whole or part of the surplus fabric endowments be moved from the Consolidated Fabric Fund for behoof of that congregation to the Consolidated Stipend Fund for its behoof.

In the event of Presbytery being of the view that after stipend endowments have been adequately provided for there are still surplus fabric endowments held for behoof of that congregation these will 'subject to the meeting of any shortfalls in contributions to central funds in the circumstances determined by the Assembly of 1996' be transferred to the Central Fabric Fund.

When considering reallocations Presbyteries should bear the following matters particularly in mind:-

1. The whole circumstances of the congregation should be considered including (a) its total resources - in particular resources held by it locally and other sources from which it can obtain assistance, (b) its commitments in respect of the funding of ministry in the Parish and in the buildings field, (c) its givings record and potential and (d) its future in the context of Presbytery's re-adjustment plan and necessary buildings' policy.
2. The distinctive call and duty of the Church of Scotland as set out in the Declaratory Articles of 1921 is to bring the ordinances of religion to the people in every parish of Scotland through a territorial ministry which the Board of Ministry and the General Trustees interpret in the Church as at present constituted as a warrant to apply the endowments, which are to a very large extent the heritage of the Church from previous generations, towards the cost of staffing parishes and providing and maintaining suitable buildings. The object of the Minimum Stipend Fund is to assist in raising the National Stipend Scale to a level with which the Church is satisfied and in keeping it at least at that level. The object of the Central Fabric Fund is to provide grants and loans to congregations with fabric problems but without the resources to cope with them.
3. Re-allocations may be of capital or of revenue. In the case of a reallocation of revenue this may be of a fixed amount or, if the circumstances justify it, at a rate of so much per annum, of a particular percentage of income per annum, for a fixed term or indefinitely.
4. The attention of Presbyteries is drawn to the uses to which monies held in the Consolidated Fabric Fund may be put. The possibility of monies being used for non-fabric purposes should, however, be disregarded for the purpose of possible reallocations.

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5. When new monies are involved, the presumption is that they will be applied in accordance with the existing practice but they are open to possible re-allocation in whole or in part.
 6. Subject to possible appeal to the General Assembly the General Trustees are the determining body in the matter of re-allocations but they will not re-allocate stipend endowments for fabric purposes without the specific concurrence of the Committee on the Maintenance of the Ministry or the General Assembly. If Presbytery considers that it would be helpful in a particular case for there to be discussions with representatives of the General Trustees before a recommendation is made the General Trustees will be happy to appoint such representatives to meet with members of Presbytery.
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Note:- These are the Guidelines which were approved by the General Assembly of 1995 and amended by the Assemblies of 1996, 2002 and 2003.