BEING A CHARITY CASE

Posted on October 15, 2019 by Eddie

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Category: Observations

Yesterday, Stephen Kneale posted an excellent reflection entitled: What if we lost our charitable status?Â In it, he considers the implications for churches if the government were to withdraw their right to exist as charities; I'd strongly encourage you to go away and read the original before coming back here.

However, knowing that many of you won't read the original, here are Stephen's main points:

- First, letâ€™s recognise that charitable status is a privilege, not a right.
- Second, letâ€™s be clear that having such status removed does not amount to persecution.
- Third, letâ€™s recognise that the mission of the church does not revolve around charitable status.
- Fourth, it bears saying that if your church model does depend (and I use that word advisedly) on charitable status, Iâ€™m going to suggest your church model is probably flawed.
- Whilst charitable status is certainly helpful and beneficial, it is not the principle means of supporting the ministry (and, for the record, nor should it be!)
- Sixth, and here is the main point, where do we think our help actually comes from? Do we look to the Lord in these things or are we looking to the world?

What I'd like to do is to take this reflection on a bit further and to look at some of the implications of charitable status for mission agencies. However, before I do that, there are a couple of general observations that need to be made.

Firstly, charitable status works differently in the UK and the US. In the UK, when someone gives money to a charity, the organisation can claim back the income tax that the donor paid on that gift. This means that donations given by income tax payers are worth 25% more to the charity than the actual amount donated. As I understand the situation in the US, it is the individual that gets tax relief on donations (the same is true of higher rate taxpayers in the UK).

Secondly, I think that it is very unlikely that the government will withdraw charitable status from churches and other religious bodies as such. However, charitable status depends on an organisation being willing and able to demonstrate that they fulfil one or more of a list of "charitable purposes". One of these purposes is "the advancement of religion". In the current climate in the UK, I would not be surprised if this charitable purpose were to be removed or so modified as to make it useless. If this were the case, then churches and Christian charities would need to demonstrate that they fulfilled some other charitable purpose, such as the relief of poverty or the advancement of religion if they were to retain their status as charities. Whether some churches or charities would want to do this or be able to do this is an open question.

In my research, I came across an issue which Stephen's post did not touch on; the burden imposed upon mission agencies by maintaining charitable status. This is a longish partial quote from my thesis:

"In practice, the duties of charity trustees involve a significant amount of monitoring and reporting on activities. The trustees need to be aware of what the charity is doing and have to ensure that it is complying with relevant laws. They must submit a comprehensive, annual report on their activities and finances and keep track of any risks that the charity faces and ensure that appropriate mitigation strategies are in place. This monitoring and reporting become *more complex when the charity is involved in work overseas, potentially in hazardous situations.*

The complexity of the legal and financial issues that trustees must deal with and the priority that they must give to this work mean that they will very often pay special attention to recruiting board members from a legal, financial or business background.

In the experience of the author, both as the CEO of a mission agency and as someone who has advised a number of agency boards these two factors â€" the responsibilities of the trustees and the composition of trustee boards â€"have an impact on the way in which agencies approach theological issues.

Firstly, the time required to address the requirements of governance and compliance issues means that trustee boards, who generally do not meet frequently, do not have adequate opportunity to engage in missiological or theological reflection.

The second trend is that boards often lack the experience, expertise or desire to interact with material such as the Lausanne documents.

The third trend is a combination of the other two; the limited time available and the pressing need to address regulatory issues combined with the interests and skills of board create a culture in which the compliance and business issues are given ever greater prominence because this is the ground where the board is most comfortable.

Martin Lee, the former director of Global Connections highlighted the problem that current patterns of charity governance pose for agencies in a 2016 blog post.

'The Charity Commission seems to be putting increasing burdens on trustees in the areas of compliance, financial accounting, risk assessment, policies of an ever-expanding nature â€" and I could go on. Sadly, it means that this can often dominate meetings and take up disproportionate amounts of time.

â€¦ However perhaps the most important role, often neglected, is thinking about the future. When was the last time your Board set aside substantive time to think about questions such as the changing external environment, what the future might bring, whether to merge or close, or just getting fresh perspectives? Too often an organisation just uses internal sources of information and focuses its discussions on the current or planned activities. Regularly asking people from outside to talk about trends and their experiences, even if they are competitors, is vital if a Board is really doing its job well.'"

If British mission agencies are to remain relevant in the future, they will need to take their place within a growing multi-national mission movement which looks very different to the situation in

which they were founded and developed. This will involve some serious theological and missiological reflection with wide-ranging input. However, the pressures placed on them mean that mission agency boards often do not have the time and, perhaps, the skills needed to engage with the complex issues which they will need to deal with in the future. I don't think we are necessarily at that point yet, but I do think that British mission agencies will need to consider whether a registered charity is the best organisational vehicle for them to carry out their calling.

To put things in some worldwide perspective, when I mentioned on Twitter that I would be looking at this topic today, my friend Timothy responded:

https://twitter.com/thalls/status/1183719972037464064

If you are interested, I explore more on the theme of Christian charities here.