



Charitable Legacies & Gifts Policy

All Saints' Church, Walsoken

Please refer to Document S&S_Doc_001 for all Safeguarding and Social requirements.

Specific Policy

This Safeguarding & Social (S&S) sub-policy gives guidance to All Saints' Church, Walsoken concerning charitable legacies & gifts for church.

If our PCC is a named beneficiary, in a will, our PCC are responsible for liaising with the Executor to administer the legacy correctly, and ensure we use the funds for our charitable Christian Ecclesiastical purposes.

All Saints' Church, Walsoken's PCC confirms that the wishes of the deceased will be adhered to concerning using their legacy wherever possible within the UK law and the charity commission guidelines.

Definitions

Legacies: Are gifts that a person has chosen to leave in their will.

Gifts (in memoriam): Are gifts that a person has chosen to give on behalf of someone else in their memory.

Reference Documents

PCC Guide to receiving a Legacy 2018 (Archbishops Council)

Procedure

The reference document "PCC Guide to receiving a Legacy" is a full and comprehensive document. It is that document that should be followed. This policy is a précis of that document for convenience.

What is a Legacy?

A legacy is a gift made by will, usually an amount of money or property left to a person or organisation.

Record Keeping

It is important to keep all letters, photocopies and papers relating to each legacy kept together in a file in chronological sequence. If we receive a residuary legacy, we will keep a diary sheet on which we will make a log of all actions, correspondence and phone calls received.

Timescales

There is a lot of paperwork involved in administering an estate and certain forms, documents and decisions must be submitted within certain time periods. PCC members responding to the executor in a timely manner should be a priority for our PCC.

Notification of a Legacy

At the start of the estate administration, the Executor will notify our PCC of the testator's death (The person who has left us a legacy in their will), and that our PCC is a beneficiary under the will of the deceased. The executor usually includes the following in their introductory letter.

- 1) The deceased's name and address.
- 2) The deceased's date of death.
- 3) Confirmation that the church/PCC benefits under the will of the deceased.
- 4) The date when they expect to have Probate granted.
- 5) Seeking clarification of the PCC's charitable status.

As soon as our PCC are notified, they write to the executors including the following.

- 1) Expressing the PCC's condolences, prayers and appreciation of the legacy.
- 2) Include up-to date contact details of the PCC Treasurer and/or the Incumbent.
- 3) Provide the PCC's bank details so that the executor can pay the legacy directly into the PCC's account.
- 4) Confirm that the PCC is a charity and confirm its charity status.
- 5) Request a photocopy of the will and any codicils.

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Copy of the Will

Until Probate has been granted, a will is confidential, and the PCC must treat it accordingly. To ensure that our PCC receives the full amount due, the will and any codicils must be checked to carefully to understand the size and nature of the legacy left to our PCC. Once we have received a copy of the will, we can identify.

- 1) The type of legacy our PCC will receive (e.g. residuary, pecuniary, specific)
- 2) If there are any restrictions on the legacy for a particular use or fund.
- 3) Our named details are correct (name, address, charity number, diocese etc.).
- 4) If there are any other charitable beneficiaries named.

Establishing the Testator's (the deceased's) Connection to our Church

Our PCC members may not know or remember the deceased. The Executors may help knowing the deceased's connection with our church or PCC. Consider asking the congregation if anyone knew the testator. If not, check any church records for the deceased's surname.

Check the details

- 1) When we receive a copy of the will, it is important to check that all details are correct. If there is any doubt we may be asked to prove a connection between the deceased and our church.
- 2) The PCC is the preferred recipient of any legacy. Before PCC's existed, gifts and legacies were often made to the vicar and churchwardens. If a legacy is made to the vicar and churchwardens, the money is not held by the PCC.

Seeking Legal Advice

When our PCC is notified of a legacy, the executor may indicate that the deceased's will has been or might be contested. When considering whether to take or defend legal action, our PCC should be aware of what the risks might be and plan how to handle them if they occur. As charity trustees, we must take specialist legal advice in such a situation.

Unrestricted and Restricted Legacies

In establishing the deceased's intent by reading the will, our PCC can fully understand how the deceased wanted the legacy to be used.

Unrestricted Legacy: An unrestricted legacy does not contain any restrictions on how our PCC can spend the legacy. our PCC can spend the legacy to further its works as it wishes.

Restricted Legacy: If the legacy is restricted, our PCC will need to ensure that the legacy will be used in line with any restriction. If it can't be used in line with the deceased wishes, then specialist charity advice is needed.

Letter of Wishes: Such expressed wishes do not legally bind our PCC; however, they should be met where feasible.

Pecuniary and Residuary Legacies

Pecuniary Legacy: This is a specified lump sum. Pecuniary legacies tend to be paid by the executors within a few months of the death. Our PCC will need to provide proof of receipt after the correctness of the amount has been established. If there is not enough money left in deceased's estate an abatement process is used.

Residuary Legacy: This is a share of what is left from the deceased's estate after all the debts, taxes, pecuniary legacies and administration costs have been paid. Residuary legacies can take several months or years for complete payment, as the estate may take some time to administer and wind up.

Other Types of Legacies

Specific Legacy: A specific legacy is a gift of a particular asset for example jewellery, furniture, a painting, a bible etc. It is important for our PCC to understand if there are any restrictions, conditions or terms attached to the specific legacy (i.e. are we able to sell or display the item?).

Capital Endowment: This is income for our church from investments made by the deceased (the invested amount is not part of the legacy). There is a requirement for all capital endowments benefiting PCCs to be held by the Diocesan Board of Finance.

Reversionary Endowment: This is where a legacy to the PCC is subject to the interest of one or more individuals (life tenants). An example of this is where the testator leaves the house of their spouse for the duration of their

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life, with the house being gifted to the PCC on the spouse's death. The PCC may not receive the legacy money until many years after the original testator's death.

Tax

Legacies left to our church are exempt from inheritance as all PCCs are charities.

Forms

None

Diagrams

None

Appendices

Appendix 1. Terminology List

TESTATOR/TESTATRIX:	A person who has made a will.
BENEFICIARY:	A person or organisation that is left a gift in a will.
EXECUTOR:	Person(s) appointed to carry out the terms of the will.
INTESTATE:	Used to describe someone who has died without a will.
PROBATE:	The official proving of a will.
ESTATE:	The total sum of possessions, property and money left at death after debts have been paid.
CODICIL:	A document used to change an existing will.
LEGACY:	A gift by will, usually money left to a person or organisation.
RESIDUARY LEGACY:	A gift of the remainder of the estate after all other gifts have been made, taxes paid and debts cleared.
PECUNIARY LEGACY:	A gift of a fixed sum of money.
SPECIFIC LEGACY:	A particular named item left as a gift in the will. For example, a piece of jewellery, furniture or painting etc.

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