T12: Receiving a Legacy which sets up a Permanent Endowment

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

In some cases, the will states that

- the "capital" (i.e. the original amount of the gift) should be held permanently and not spent; but
- The "income" (dividends or interest paid out periodically) is available for the beneficiary to spend according to the purpose set out in the will

If your PCC has property (assets such as money, shares or land and buildings) that must be kept rather than spent, this is called **permanent endowment.**

The **Parochial Church Councils (Powers) Measure 1956** sets out that if a PCC has funds which are to be kept on a permanent basis, then the funds must be held by the Diocese.

If the PCC receives a legacy which sets up a permanent endowment, the diocese should be notified, and arrangements made for the money to be passed to the Diocese for investment.

Respective roles of PCC and Diocese for permanent endowment

The role of the Diocese is to hold the fund's governing document for safekeeping, act as signatory with the bank, and act on the PCC's (or vicar and churchwardens') lawful instructions for the fund.

The PCC remain responsible for managing and maintaining the funds, including making decisions about where the funds are invested.

Income (usually in the form of dividends) will be paid over to the PCC periodically. The PCC are responsible for ensuring that the income is spent in accordance with the purposes set out in the will.

General information on receiving legacies can be found here: Guidance on Receiving a Legacy - Parish ResourcesParish Resources

For help on trusts please contact trustadmin@oxford.anglican.org .