

Reserves Policy

APPROVED 29/11/21

Background

The PCC is obliged, under the Charity Commission's guidance on good governance practice, to consider the appropriate level of reserves to hold, and to publish a policy relating to the management of those reserves.

Specific guidance is provided by the Charity Commission around restricted and unrestricted reserves, and funds given to the Parish as an endowment fund will also have specific restrictions.

Policy

The PCC shall set aside funds in **specific reserves** to cover reasonably foreseeable projects that are consistent with the aims and obligations of the PCC, for example repairs and upgrades to the church buildings. Once funds have been allocated to these specific reserves, the expectation is set that these reserves would not be diverted to other causes without a pressing reason. The quantum of these reserves should be assessed with regard to the likely upcoming expenditure.

The PCC shall abide by the conditions set out in any **endowment funds** regarding the restricted use of those funds, and shall liaise in a fair and reasonable manner with any Trustees whose role it is to manage those funds.

The PCC shall manage **unrestricted reserves** with regard to the following factors:

- Reasonably foreseeable day to day expenditure required for achieving the PCC's aims
- The amounts the PCC expects to receive in income
- The levels of specific reserves held
- The amount of Diocesan Share that could be reasonably expected based on the level of Diocesan funded expenditure taking place in the Parish.

Review

This policy should be referenced and reviewed by the PCC each time the annual accounts are produced, to ensure its relevance.