

St Hilda's Church Ashford - Parish Reserves Policy

Preamble

The principles of accountability and transparency make it important that the members of a PCC are aware of the 'free reserves' for which they are responsible. It is good stewardship to ensure these reserves are used to gain maximum benefit for the parish as a whole in its pursuit of the whole mission of their church. The idea of simply keeping some money for a 'rainy day' is no longer adequate as a policy.

The adoption of a policy on reserves will help to identify situations where a PCC may need to consider either reducing or increasing the level of reserves that it holds and the action it needs to take to achieve this. It will also give interested third parties an insight into the church's finances and assist when seeking outside grant funding e.g. for certain projects. Charity Commission guidance on accounting and reporting by charities requires all PCCs to include a brief statement of their reserves policy in their Annual Report.

The term 'reserves' in this document (unless otherwise indicated) is used to describe that part of a PCC's income fund that is freely available for its general purposes. Therefore, "Restricted" "Designated" or "Permanent Endowments" are excluded from the definition of "General Reserves" or "General Funds"

Policy

1. The Parochial Church Council of St Hilda's Church Ashford Ministry seeks to hold in reserve a continuing minimum of 'free reserves' of three months' running costs, including salary costs. At current levels this minimum is circa. £35,000.
2. This 'reserve' excludes those funds which have been designated for specific purposes. These funds are categorised as either "Restricted" "Designated" or "Permanent Endowments".
3. The PCC mandates and delegates the operation of asset management to the Standing Committee, including appropriate financial risk assessments, investment management and transfers of funds between accounts.
4. The Standing Committee shall report on the operation of the reserves policy as part of the finance update at each PCC meeting.

Approved by the PCC: 3rd March 2022

Review date: 3rd March 2023

Signed: Vicar

Signed: PCC Secretary