

Reserves Policy St Thomas a Becket, Ramsey PCC

Why do we have this policy?

The principles of accountability and transparency make it important that the members of our 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. Determining the level of reserves necessary to meet both the current and future needs of the church, has taken thought and prayer.

Money should only be kept in reserve for specific reasons – whilst the Bible clearly indicates that we should not hoard it is also clear that it is sensible to plan for known events, and to make appropriate contingency for unforeseen ones. The adoption of this policy on reserves will help to identify situations where our 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 (SORP) requires all PCCs using accruals accounting, and states that it is good practice for all PCCs to include a brief statement of their reserves policy in their Annual Report.

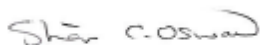
Context

St Thomas a Becket church is a church in a small town with annual income of around £77,000. The church itself over 850 years ago, grade 1 listed and the quinquennial inspection is due round August 2024. There are plans to reorder the church, including the removal of all pews. There has been a substantial legacy left to the church.

Policy

It is the policy of this church to hold in reserves the equivalent of two months general running costs (£15k) and an additional one month's salary costs (£1k). It is also our policy to hold an amount for likely building works at the next quinquennial inspection. In view of our strategic plan next year, we have allocated £ 34,000 to reserves to cover our involvement. This policy will be reviewed in twelve months' time, The PCC believe that, at present, we have £ 100,000 in reserves above what is required and will consider how these funds might be used for local mission and outreach.

Signed by:



Chair of PCC

The next review will be April 2025