

Holy Trinity Church, Ash Priors

Financial Reserves Policy

Introduction:

This Financial Reserves Policy outlines the procedures for managing and maintaining financial reserves for The Parochial Church Council (PCC) of Holy Trinity Church, Ash Priors. The purpose of this policy is to ensure that the PCC has sufficient reserves to support its ongoing operations, manage financial risks, and achieve its strategic objectives.

Reserve Level:

The PCC will maintain a financial reserve equivalent to at least six months of its operating expenditure. The reserve level will be reviewed annually as part of the budget-setting process to ensure that it remains appropriate to the PCC's needs and circumstances.

Use of Reserves:

The financial reserves may be used for the following purposes:

- To cover unexpected or unbudgeted expenditure, such as emergency repairs or unforeseen events
- To manage financial risks, such as fluctuations in income or changes in economic conditions
- To support strategic initiatives, such as major capital projects or new outreach programs

The PCC will only use reserves for these purposes with the approval of the PCC as a whole, after considering the impact on the PCC's financial position and long-term sustainability.

Investment:

The PCC may invest its reserves in a range of financial instruments, including bank accounts, money market funds, bonds, and equities. The PCC will ensure that any investments are consistent with its charitable purposes, and that they are managed prudently and responsibly.

The PCC will regularly review the performance of its investments and consider whether they remain appropriate to its needs and circumstances.

Reporting:

The PCC will report on its reserve levels and their use in its annual report and accounts. The report will include details of the reserve level, any changes to the level during the year, and the reasons for any changes.

The report will also include details of any investments made with the reserves, their performance, and any changes to the investment strategy.

Review:

This policy and its implementation must be reviewed regularly to ensure its effectiveness and relevance to the PCC's operations. Any changes to the policy must be approved by the PCC and communicated to all relevant stakeholders.