

SLOUGH BAPTIST CHURCH POLICY	Reserves Policy
POLICY NUMBER: SBCP-23	



Primary Responsibility:	Treasurer	
-------------------------	-----------	--

Issued:	25 th September 2023
Status:	Final
Review Period:	3 years
Next Review Date:	September 2026

DISTRIBUTION

Original	Slough Baptist Church Office
Copy	Website (PDF)

1. Purpose

The Charity Commission requires that the Managing Trustees of every charity establish and record a reserves policy for the charity. The term “reserves” means those unrestricted funds which could be available for use quickly to meet an emergency. The reserves policy must be included in the annual report accompanying the accounts.

2. Principles

The Trustees of Slough Baptist Church recognise that reserves are needed to manage cash flow delays where income arrives later than expenditure. Cash in the bank at any one time is normally sufficient to cover such delays. The Trustees will regularly consider the levels of current and expected income and expenditure and assess the level of cash reserves required to meet any shortfalls in cash receipts over payments. The Treasurer is authorised to accumulate a sum equivalent to between one month and four months’ expenditure as unrestricted reserves and undesignated Funds. In practice this amounts to the reserves held across the General Fund and the Church Fund.

In addition, subject to the approval of the members, the trustees may accumulate funds from any surplus of the previous year, for specific purposes. The Treasurer is required to report the amount remaining in those designated funds formed by surpluses from the previous year at each Members’ Meeting.

In addition, following the announcement of progress on development plans for the site of Slough Baptist Church to the 2019 AGM, the Treasurer is authorised to accumulate unlimited funds within the restricted Building Fund. The Treasurer is however required to report the amount in the Building Fund at each Members’ Meeting.

3. Procedure

1. At the time the budget is set for the next financial year, the Trustees will consider the use of any expected surpluses of the current financial year, in particular the designation of funds for specific purposes.
2. At the time that the budget is set for the financial year, the Trustees will consider the level of reserves to be held to cover any expected cash flow delays as well as potential emergencies where significant expenditure may be required before additional income can be raised.
3. The budget for the forthcoming financial year presented to the members for approval will include details of the level of reserves assessed by the Trustees to be required for the financial year, and any proposed designation of surpluses to be carried forward for specific purposes.
4. If the amount of unrestricted reserves held exceeds the level assessed as required, the Trustees will develop and present to the members a plan for using these excess reserves in a way that fulfils the charitable objectives of the church.
5. The amount of unrestricted reserves held and the amount in the restricted Building Fund will be included in each financial report prepared for the Trustees' business meetings and presented regularly in Members' Meetings.