



New Ground Churches

Reserves Policy

June 2018

(reviewed Mar 2019)

(reviewed Jun 2020)

(reviewed Jun 2021, updated)

(reviewed Jun 2022, updated)

(reviewed Jun 2023)

New Ground Churches

Reserves policy

The trustees discussed the following factors in arriving at this reserves policy:

- Funds should only be kept in reserve for specific reasons – however it is sensible to plan for known events and acting responsibly for others (including employees) is important.
- A desire to have two month's running costs in cash reserves in case of a major problem (£45k).
- In addition to have a further sum equivalent to the cost of the staff accumulated notice period in reserves (£15k).
- An annual check should be carried out to ensure that the sum of the above two figures is not greater than 'two to three months of regular income' as stated in the policy below.
- A key element of fulfilling the charity's objects is to plant churches in strategic locations. These generally require a level of funding greater than can be made available out of any one annual budget. Funds will therefore be designated for future church planting, where possible.
- An annual offering will be maintained to fund activities beyond the regular budget, including apostolic extension, church planting, relief fund and others as required.

Policy:

The charity maintains three levels of reserves: restricted, designated and free reserves.

Restricted funds: These represent donations for specific activities and our policy is to expend these funds as quickly as possible in order to benefit the recipients.

Designated funds: At various times it has been considered beneficial by the directors to allocate reserves to particular projects, particularly where a greater level of funds is required than is possible to release from an annual budget.

Free reserves: These are all the undesignated funds plus any designated funds which, although budgeted, could be released if necessary. It is the charity's policy is to maintain these at a level between two to three months of regular income.