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RESERVES POLICY – AG F1-01

Primary Responsibility	**Church Treasurer**

Issued	**February 2022/ Reviewed November 2022/ November 2023/November 2024/November 2025**
Status	**Agreed**
Review Period	1 year
Next Review Date	**November 2026**

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1. **Policy Statement**

The Reserves Policy of Wymondham Baptist Church is to hold reserves sufficient to be able to pay three months salary and three months running costs (utilities) in order to be able to adapt to any changes in the income and expenditure of the church.

2. **Definition of Reserve Fund – what are reserves?**

The Charity Commission defines reserves as:
"Reserves are the part of a charity's unrestricted funds that is freely available to spend on any of the charity's purpose"
This definition excludes restricted funds and endowment funds. Reserves will also

normally exclude fund that have been designated for essential future spending and tangible assets for church use.

3. **Purpose of holding reserves**

The purpose of holding reserves is to ensure that the church has sufficient funds available to cope with financial issues that might arise, such as the loss of income, an urgent property repair or an issue with staffing.

4. **Procedure**

1. 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.
2. The budget 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.
3. 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.
4. The amount of unrestricted reserves held will be included in each financial report prepared for the Leadership Team meetings and presented regularly to the Members meeting.

5. **Current position**

It was agreed that there will be a Reserve Fund set up. As at 1.1.2026 this will be £15,500 and is held in a savings account with the Baptist Union. Currently £150 a month is added to this account, this will be increased to £200 per month from 1.1.2026. At the end of 2026 the Reserve Fund will stand at £17,900 which is agreed as accepted reserves at this stage.

Record of amendments:-

Date	**Revised pages**	**Details of revision**
05.02.2019	All	Initial document written to formulate our current approach and to fall in line with the best practice guide Baptists Together Leaflet F07 Charity Reserves

01.02.2021	1	Revision of paragraph 1 to indicate which bank accounts the Reserve Fund is held in and on-going savings.
01.02.2021	2	Revision of procedures
01.02.2022 10.10.2022 13.11.2023 4.11.2024 18.11.2025	2 5 5 5 5	Addition of point 5 Amendment to Reserve figures Amendment to Reserve figures Amendment to Reserve figures Amendment to Reserve figures