



New Ground Churches

Reserves Policy

June 2018

(reviewed Mar 2019)

(reviewed Jun 2020)

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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 (£50k)
- In addition to have a further sum equivalent to the cost of the staff accumulated notice period in reserves (£13k)
- 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 3 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.