

## Purpose

The purpose of having a financial reserves policy allows Tabor Baptist Church to:

- Manage financial uncertainty
- Ensure the activities of the charity are sustainable
- Afford capacity to manage unforeseen financial difficulties
- Minimise the risk of holding substantial unspent funds at the year end

Having a reserves policy also assists in strategic planning, budgeting and informing of any uncertainty in future income streams.

## Level of Reserves Required

The target set is [redacted as sensitive information]

The above target is a reflection on the particular circumstances of Tabor Baptist Church, and in particular the need to cover three months of notice (salary, pension, tax and NI) to it's employees.

The target above may change due to:

- Forecasts for levels of income and expenditure for the current and future years
- Taking into account the reliability of sources of income (including new income sources)
- Analysis of any future needs

If reserves during the year are below target or exceed target, the trustees shall convene to consider whether this is due to a short-term situation or a longer-term issue. Appropriate action may be needed to replenish or spend reserves.

## Designated Funds

- Tabor Baptist Church has designated the funds in the account "The Refurb Account" as designated funds for the purpose of refurbishing the Church Building.
- Tabor Baptist Church has designated the funds in the account "Trainee Minister Account" as designated funds for the purpose of reimbursing a Future Apprentice to help with Evangelism.

The monies in these accounts are to be spent for this purpose and do not form part of the financial reserves for the Church. It is expected that the Refurb Account will not be active for longer than two financial years and that all funds in the account will be spent.

There are no other designated funds held by Tabor Baptist Church.

Designated funds are excluded from reserves.

## Investment Policy for Reserves

There is no investment policy for resources held in reserves, save to hold this in a linked Savings Account, with the provision for same-day money transfer.

Financial Reserves and interest accrued, shall be kept in the account designated "Bus Bank Account".

## Review Date

This policy is to be reviewed at least annually. Ongoing review of the reserves level, target and policy is an active part of managing the charity.

Review Due: March 2018