

Bishop Hannington Memorial Church, Hove

Reserves Policy

The PCC recognises that, while it is not appropriate for the church to hold excessive reserves, a general reserve (technically known as the “free reserve”) is required to provide:

- Working capital
- A cushion against seasonal variations in income and expenditure
- Contingency provision against unexpected costs
- Flexibility to respond to unexpected ministry opportunities

Free reserves are defined as what is left after deducting restricted, designated and endowment funds, and other funds established by statute such as the revaluation reserve.

The PCC free reserve will be held by BH on behalf of the parish, whilst reserves held by Goldstone and Holy Cross are modest, and treated as designated funds at PCC level.

The free reserve target level will be based on a percentage of future unrestricted expenditure, and expressed as a range, reflecting a prudent approach to financial management but rooted in trust in God to provide our needs. The free reserve target will be agreed as part of the budget making process and reported in the year end accounts.

In addition to holding free reserves, the PCC also recognise that it may be expedient to hold additional designated reserves against anticipated capital costs planned for future financial periods, such as major repairs to the fabric of the building, etc. Transfers to and from these designated funds will be made at the discretion of the PCC, or when the free reserves fall outside the target range.

Adopted by the PCC on 26 January 2010

Reviewed and reaffirmed by the PCC on 22 November 2011

Reviewed and reaffirmed by the PCC on 19 November 2013

Reviewed and reaffirmed by the PCC on 22 November 2016

Reviewed and reaffirmed by the PCC on 21 November 2017

Reviewed and reaffirmed by the PCC on 26 November 2019

Amended 18 October 2021