The Friends of the Parish Church of St. Mary's Old Basing
Registered Charity Number 1051202

# FINANCIAL RESERVES POLICY
11th June 2026

## 1. Purpose of the Policy

The purpose of this Policy is to set out the approach of The Friends of the Parish Church of St. Mary's Old Basing Registered Charity 1051202 (the Charity) to maintaining financial reserves to:

- Ensure the Charity can meet its ongoing commitments.
- Protect against financial risks, including unexpected shortfalls in income or increases in expenditure.
- Support the Charity's strategic goals and planned activities.

## 2. Definition of Reserves

Reserves are the funds the Charity holds that are freely available for its general purposes, excluding:

- Restricted funds: Donations or grants with specific purposes as defined by the donor or funder, including the 50:50 Club lottery fund
- Funds designated for a specific future purpose by the Executive Committee.

The majority of the funds held by the Charity are raised specifically to support the maintenance of the fabric of the Parish Church of St. Mary's Old Basing. Requests for this funding are made by the Parochial Church Council (PCC).

Funding for the 50:50 club lottery prizes is not included in the reserves because income from this activity is held in a separate designated fund. Monthly cash prizes, which are 50% of the monies collected in the previous month, are fully covered by the lottery income. Although excess cash in the lottery fund is cleared annually, the balance on the account is always maintained to cover any cheque prizes that have not been cleared.

Reserves are held to meet the estimated costs of organising events and day to day expenses of the Charity.

## 3. Policy Objectives

The Reserves Policy aims to:

3.1. Maintain an appropriate level of reserves to ensure the Charity's financial stability.

3.2. Ensure the reserves level is proportionate to the Charity's operational needs and financial risks.

### 4. Target Level Reserves

The Charity will aim to hold reserves equivalent to 12 months of average operating costs, based on:

- Regular operational expenditure (e.g., insurance, IT, subscriptions).
- Events funding (e.g. pantomime, barn dance, quiz nights)
- Potential risks such as loss of key funding or unplanned costs.

Based on these considerations the current reserves level is set at £5,000. This will be reviewed annually and adjusted if required based on the Charity's expenses in previous years.

### 5. Management of Reserves

The Charity aims to maintain sufficient funds to cover a request for help from the PCC to deal with any repairs needed. However if the total funds held by the Charity approaches the reserve level, or is forecast to approach to this level as result of a PCC request for funds, then the reserves will need to be actively managed:

- The Treasurer will monitor the reserves level and report to the Executive Committee at regular meetings.

### 6. Reserves Reporting

The Reserves Policy and the Charity's reserves level will be disclosed in the annual report, in line with Charity Commission guidelines.

### 7. Review of Reserves Policy

This Policy will be reviewed by the Executive Committee annually or more frequently if significant changes occur, such as:

- Changes in income sources or levels.
- Variations in expenditure patterns.
- New risks or operational challenges.

Any amendments must be approved by the Executive Committee and communicated to relevant stakeholders.

This Policy has been approved and authorised by the Executive Committee on 11th June 2026

**Name:** Matthew Jarrett
**Position:** Chair of the Executive Committee

**Date:** 11th June 2026

**Signature:**