



Primary Responsibility:	Treasurer
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## **DISTRIBUTION**

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### **1. Purpose and Scope**

The Charity Commission requires that the Managing Trustees of every charity establish and record a reserves policy for the charity. The term “reserves” means those funds which could be available for use quickly to meet an emergency situation. The reserves policy must be included in the annual report accompanying the accounts.

### **2. Policy**

The Trustees of Slough Baptist Church recognise that reserves are needed to manage cash flow delays where income arrives later than expenditure. Cash in the bank at any one time is normally sufficient to cover such delays. The Trustees will regularly consider the levels of current and expected income and expenditure and assess the level of cash reserves required to meet any shortfalls in cash receipts over payments. The Treasurer is authorised to accumulate a sum equivalent to between one and three months’ expenditure as reserves.

### **3. 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 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 fulfills the charitable objectives of the church.
4. The amount of reserves held will be included in each financial report prepared for the Trustees’ business meetings and presented regularly in members’ meetings.