



# Reserves and Investment Policy

*We are committed to careful stewardship of the church's financial resources and to the faithful meeting of its financial commitments. This policy sets out the Trustees' policy on the holding of reserves and the investment of the church's financial resources.*

## Contents

Section A - Reserves and Investment .....	2
1 Policy statement.....	2
Section B - Factors considered in the setting of the level of reserves.....	3
2 Policy on reserves.....	3
3 Running costs.....	3
4 Mission grants.....	3
5 Costs associated with closure.....	3
Section C - Investment of reserves.....	4
6 Policy on the investment of reserves.....	4
Section D - Version control.....	5

## Section A - Reserves and Investment

### 1 Policy statement

- 1.1 The Governing Document of Trafalgar Road Baptist Church (TRBC) has been approved by the Charity Commission. Section 19 of the Governing Document of Trafalgar Road Baptist Church allows the Trustees to apply an appropriate reserves policy in line with general law.
- 1.2 The Trustees consider it prudent to hold minimum levels of reserves in accordance with this policy.
- 1.3 The Trustees will invest the reserves in accordance with this policy.
- 1.4 The Trustees may hold amounts in excess of the minimum amount determined in accordance with this policy where it is considered prudent to do so, for example, where capital expenditure is anticipated beyond the current annual budgeting period or funds are being accumulated for a specific project such as a building project.
- 1.5 Where reserves are held at the end of financial year in excess of the minimum amount determined in accordance with this policy, the Trustees will give reasons in the Church's annual report and accounts for holding those additional reserves.

## Section B - Factors considered in the setting of the level of reserves

### 2 Policy on reserves

- 2.1 The Trustees consider it prudent to hold in reserve an amount equivalent to the running costs of the Church for three months plus an amount to cover three months of mission grants where annual commitments have been made and costs associated with closure.
- 2.2 If we fall below our reserve, the Treasurer shall inform the leadership. An emergency Trustees' meeting should take place to agree actions to be taken to resolve the issues, followed by a special church meeting to update the church members.

### 3 Running costs

- 3.1 The running costs taken into account include:
  - a) The stipend of any minister or ministers of the church;
  - b) The salaries of any employees of the church;
  - c) The tax, national insurance and pension contributions associated with the minister and other employees of the church;
  - d) The other expenses associated with the church's minister, including housing costs;
  - e) The interest and capital repayments of any mortgages or other borrowings of the church;
  - f) Estimates of the church's utility bills for the most expensive quarter of the year;
  - g) The premiums for the church's insurances.

### 4 Mission grants

- 4.1 The mission grants taken into account include the church's commitments to BMS World Mission and Baptist Home Mission, as well as support for individuals or organisations that have been advised of the church's decision to provide on-going support.

### 5 Costs associated with closure

- 5.1 Provision will be made for the payment of minimum statutory redundancy payments for any church employees, according to their levels of salary and service at the end of the previous financial year.

## Section C - Investment of reserves

### 6 Policy on the investment of reserves

- 6.1 The Trustees consider it prudent to invest the Church's reserves in appropriate deposit accounts with suitably authorised banks or, subject to taking appropriate advice, building societies.
- 6.2 The Trustees will consider the rate of interest available on credit balances but will not sacrifice access to funds at short notice in order to obtain higher rates of interest.
- 6.3 The Trustees do not consider it prudent or necessary to enter into other investment activity in light of the Church's approved charitable purposes.

## Section D - Version control

Version	Comment	Date	Approved by
v0.1	First draft	23/11/2022	
v0.2	Revised into TRBC standard fonts	20/03/2023	
v0.3	Jon's & Helen's comments	02/07/2023	
v0.4	Final draft for trustees' review	03/09/2023	
v0.5	Added 2.2	27/10/2023	
v1.0	First approved version	20/02/2024	