How to set a reserves policy for your charity - GOV.UK (www.gov.uk)

Your reserves policy should set out:

* how much the PCC needs to hold in reserve and why
* how and when your PCC reserves can be spent
* how often the reserves policy will be reviewed

You can set aside enough money to meet a potential need, such as an unexpected drop in income. If you set aside money for a specific purpose (a restricted fund) , such as building works, make it clear that this is separate from the charity’s general reserves.

**Review annually to ensure that you are not setting aside too much or too little.**

**Reserves Policy pro forma**

|  |  |  |  |
| --- | --- | --- | --- |
| **Reserves Policy**  **PCC of**  **Financial Year 20??** | |  | **Date reviewed and agreed by PCC** |
|  | **Reserve Amount (Max) £** | **Potential Need** | **Steps being taken to reach the max reserve** |
| **General Fund** |  | An average of 3 months unrestricted payments | Will improve when investment income increases. |
| **Fabric Fund** | **Fund balance at start of year £ , expected to increase/decrease by £** | Eg Roof repairs |  |
| **Other restricted funds** |  |  |  |
|  | **Where held/deposited** | **Target Balance of funds in investment** |  |
| **Investments** | **CCLA/ CBF / COIF/ Other** | £ |  |

For information [The CBF Church of England Investment Fund | CCLA](https://www.ccla.co.uk/investment-solutions/fund/the-cbf-church-of-england-investment-fund#:~:text=2.2%20The%20CBF%20Funds%20are%20established%20under%20the,an%20unregulated%20CIS%20for%20the%20purposes%20of%20FSMA.)