



RESERVES POLICIES - AYLESBURY METHODIST CHURCH AND CENTRE

The Charity Commission requires the Methodist Church to be accountable for all the money that comes into its hands. The general aim is to expend its funds for the purposes of the Methodist Church rather than hoard them for some unspecified future purpose. Locally, this means the various funds held by AMC and for which the Church Council is responsible. The table below shows the various funds, their purpose and the balance held at 31st August 2021.

Fund	Purpose	Balance £
Benevolent Fund	For those in need	395
Staleys Trust	General Church Purposes	26
Stranks bequest	“ “ “	3,495
Mead bequest	Choir and J Team	210
General fund	General Church purposes	44,495
Church organisations	Various	10,366
Total		58987

Each church is required to establish a reserves policy to ensure that balances held are adequate but not too much for its purposes. Such a policy must also include a procedure for monitoring the balances held.

Specific (restricted) Funds

Some of our funds are for specific purposes such as the Benevolent Fund and the Church Organisations and they must be used for those purposes only. The balance needed for these funds will be dictated by the specific purpose of each fund.

General Fund

The need for a policy for this fund is to ensure that the level of balances is adequate, but not too much, to ensure the Church's viability and future. It is considered that the ideal balance to aim for is between 33% and 50% of our annual turnover. Part of this balance would be for an adequate working balance. The remainder would provide a cushion for a sudden reduction in income or a large item of expenditure, such as an urgent building repair or equipment replacement. With an annual turnover of about £130,000 these parameters indicate that a reasonable balance would be between £43,000 and £65,000. Our balances at 31st August 2021 were £44,500 - ie near the bottom of the acceptable range.

Monitoring of Funds

This is done by the Church Council in October when the annual accounts and budget are considered.

Roger Kirk
Church Treasurer
May 2023