The Parish of
Horndon, Orsett and Bulphan

Parish Reserves Policy

This policy was adopted at a PCC meeting on 25th September 2026
Policy to be reviewed every five years, or earlier if any circumstances change.
Next review in September 2031

Introduction

The principles of accountability and transparency make it important that the members of a PCC are aware of the 'free reserves' for which they are responsible. It is good stewardship to ensure these reserves are used to gain maximum benefit for the parish as a whole in its pursuit of the whole mission of their church. The idea of simply keeping some money for a 'rainy day' is no longer adequate as a policy.

The adoption of a policy on reserves will help to identify situations where a PCC may need to consider either reducing or increasing the level of reserves that it holds and the action it needs to take to achieve this. It will also give interested third parties an insight into the church's finances and assist when seeking outside grant funding e.g. for certain projects. Charity Commission guidance on accounting and reporting by charities requires all PCCs to include a brief statement of their reserves policy in their Annual Report.
The term 'reserves' in this document (unless otherwise indicated) is used to describe that part of a PCC's income fund that is freely available for its general purposes. Therefore, "Restricted" "Designated" or "Permanent Endowments" are excluded from the definition of "General Reserves" or "General Funds".

Policy

1. Our parish seeks to hold in reserve a continuing balance of ‘reserves' in the general fund, at current levels this is a minimum of £6,000. This amount represents two months’ worth of running costs.
2. This 'reserve' excludes those funds which have been designated for specific purposes. These funds are categorised as either "Restricted" "Designated" or "Permanent Endowments".
3. The PCC delegates the operation of financial management to the Finance Team, including appropriate financial risk assessments. The Finance team will research and make recommendations to the PCC regarding investment management and the transfer of funds between bank accounts.
4. The Finance Team shall report on the operation of the reserves policy as part of the finance update at each PCC meeting.