

Reserves and Investment Policy

1. Purpose

- 1.1. A policy is necessary to enable the PCC to use its accumulated resources prudently and effectively in practical ways, which support the whole Mission of the Church.

2. Reserves Policy

- 2.1. The PCC's will hold unrestricted general funds amounting to between three and six months of estimated unrestricted expenditure to meet planned expenditure and provide for contingencies.
- 2.2. The PCC will use legacy gifts to help fund significant development projects, whether buildings, equipment, mission or staff. To separate legacy income from other income, the PCC has set up a separate designated Legacy Reserve. Use of the reserve to fund specific projects requires approval of the PCC via a resolution.
- 2.3. From time to time the PCC may place unrestricted funds in other designated reserves to meet the cost of future liabilities (such as building related major repairs)
- 2.4. Monies given to the Church for a specific purpose are required to be held in Restricted Funds and only used for the purposes for which they were donated.
- 2.5. If the PCC accrues reserves in excess of the requirements above, the PCC will develop new plans and initiate programmes for the resourcing of projects to help achieve the mission of the Church.

3. Investment Policy

- 3.1. The PCC invests funds over and above those required for day to day expenditure with the Church or England Central Board of Finance funds administered by CCLA:
 - 3.1.1. Endowment funds are invested on its behalf by the Diocese of St Albans in the CBF Church of England Investment Fund (a multi-asset fund aiming to provide a long-term total return comprising growth in capital and distributions).
 - 3.1.2. Cash balances, over and above those required to fund day to day expenditure are placed in the CBF Church of England Deposit Fund (a sterling denominated money market fund aiming to provide a high level of capital security and competitive rates of interest).
- 3.2. In investing these funds CCLA follows the guidelines of the Church of England's Ethical Investment Advisory Group (EIAG) which restricts investments in areas such as weaponry, pornography, tobacco, gambling and high interest rate lending.

4. Policy Review

- 4.1. This policy will be reviewed every 3 years to ensure continuing appropriateness.

Agreed by the PCC – July 2018