St Albans Diocesan Board of Finance

RESERVES POLICY

Approved by:	Audit and Risk Committee of the Diocesan Board of Finance
Policy originator:	Glyn Barker, Finance Director
Date approved:	31 October 2023
Review period:	Three years
Review Date:	31 October 2026

The majority of the Board's budget is expended on the monthly payment of stipends and salaries. Any action to deal with cash flow shortfalls will take time to implement. Therefore, the Board has agreed that the level of free reserves should ideally be not less than eight and not more than twelve weeks' expenditure.

The Board continues to review the level of working capital to ensure that it covers core costs and there is sufficient cash flow to conduct the activities of the charity on a day-to-day basis. It is the Board's policy to set aside, in a Property Ring-fenced Fund, capital receipts from the sale of former parsonage houses that become surplus to needs after pastoral reorganisation. The purpose of this fund is to invest in income generating assets in order to fund improvements to its remaining housing stock.