



## Reserves Policy

The term ‘reserves’ has a variety of technical and ordinary meanings, depending on the context in which it is used. The term ‘reserves’ in this document (unless otherwise indicated) is used to describe that part of WBC’s income fund that is freely available for its general purposes. ‘Reserves’ are therefore the resources WBC has available to spend for the church’s purposes once it has met its commitments and covered its other planned expenditure.

The definition of reserves therefore normally **excludes the following funds**:

- Permanent endowment
- Restricted Funds, Designated and
- Income funds, which could only be realised by disposing of fixed assets held by the church.

There is no particular formula as to the setting of the level of reserves; it is up to the discretion of the church. It is commonly thought that three months’ expenditure might be a prudent level to set for general running costs. When determining WBC’s policy, we have taken account of the need to hold some contingency for salaries of our employees, foreseeable future expenditure on our buildings, future missional projects and their support, and likely income streams.

## Our Policy

*On the basis of the above, our current staff levels, both our normal expenditure and income profile we have decided to hold £10,000 as a minimum reserve. This represents approximately six weeks of total expenditure. This policy will be reviewed annually as a part of the Budget setting process for the coming financial year and adjusted as is appropriate at that time.*

## Some Theological Implications

The following points blend the stewardship, theological and legal implications of being a Christian charity to offer some reflections on what it means to be trustees of a Christian organisation.

1. As a registered charity, the Leadership Team, as Trustees, must comply with and have regard to Charity Law and guidance given.
2. The Leadership Team should periodically review its reserves policy and consider whether its assets, or at least a part of them, should be used for positive and practical purposes. There is no mandate for a Church to stockpile resources above a level commensurate with its objects, and indeed Jesus’ Parable of the Talents (Matthew 25:14-30) reinforces trustees’ obligations to use funds appropriately.

This section outlines some elements of a “theology of wealth,” which can assist a Church in reconciling scripture and the practice of the early church with a large accumulation of wealth.

3. “... all things come from you, and of your own have we given you.” (1 Chronicles 29:14b)

These familiar words from the Bible make it clear that God is the owner of all things, and that both individuals and Church as a whole are seeking to manage that which the Creator has entrusted to us.

4. We are followers of Jesus Christ, and we seek to enter into His thinking about wealth and its place in our life and actions both individually and corporately.
  - a. Continually looking to see if it is producing the fruit of the Spirit and the signs of the Kingdom.
  - b. Having a sense of gratitude to God for the resources entrusted to us.
  - c. Applying wisdom in being good stewards of all resources.
  - d. Deepening a sense of trust in God's ability to provide for our needs rather than depending upon our own sense of financial security.
  - e. Sustaining a spirit of mutual care and the sharing of resources with one another.
  - f. Being faithful in using our resources in ways that release new possibilities and care for those who minister on our behalf.
5. WBC enters each new situation, just as the early church faced new and unprecedented challenges, trusting that they have been given sufficient resources to work with, but also recognising that they have to be willing to claim and use those resources. The annual budget is a matter of faith, because spending plans are agreed in the expectation that the Lord will provide through his faithful servants.
6. Wealth is good. It is God's gift to humanity. It includes human labour, development of the land and care of it, animals, and equipment for creating products. From the beginning this has been in the heart and mind of God (Genesis 1:28-30) and is meant to stimulate our trust in Him.
7. Wealth is more than money.
  - a. Where a person regards money as actual wealth this is condemned as foolish and dangerous, leading to complacency and idolatry. (Luke 12:16-21)
  - b. Money is a (Gospel) means of changing things for the better and relieving the needs of others. For individual Christians and Churches, it can never be an end in and of itself. (2 Corinthians 8:13-15, also 2 Corinthians 9:1 & 9-15)
  - c. The biblical pattern of discipleship is based upon dependence on God's provision; not building up sufficient resources to make trust in God a theoretical nicety, for our desire for security can undermine our practice of the Kingdom value. (Matthew 6:31-33)
8. Wealth brings opportunities and responsibilities.
  - a. The Church has to challenge the assumption that the creation of wealth involves a process whereby the rich get richer whilst the poor grow poorer, or that rich nations or groups can amass more, so long as some of it "trickles down" to the poor.
  - b. Christians believe that all involved in the chain of creating wealth need to be treated with fairness and equity (for example, in the prices paid to farmers and charged by supermarkets).
  - c. The Church has to remind those involved in the creation of wealth today that if it

has no thought of how this affects the world tomorrow, then it is not only foolish but faithless. We have lost the Biblical emphasis on mortality and a nation's future being in what it bequeaths to its own descendants.

- d. Wealth brings opportunities to make a difference and change situations, so that they move towards their proper place in the Kingdom of God. The young boy who brought five loaves and two small fish (John 6:9) found that his offering enabled Jesus to satisfy the needs of many people. The early church had the confidence to act boldly and with generosity, resulting in new resources being found to sustain church growth and programmes of practical caring and compassion.
9. As a Church considers its accumulated resources, they should be used prudently and more effectively in practical ways, which support the whole Mission of the Church. Rather than accruing greater and greater reserves for the proverbial rainy day, WBC should consider initiating programmes for the resourcing of capital projects, for example, church growth, ministry, world mission, and local based development projects. In time, they may yield a greater return than were those funds to be invested.
10. Trustees have a duty to ensure that they get a good return on the investment of their reserves. This should be considered from both a financial and an ethical viewpoint.