

Reserves Policy (including our Legacy policy) for St Mary's Church Wimbledon July 2020

Context

St Mary's is the largest church in the Parish of Wimbledon which comprises a team of four churches. It is in an affluent area with an electoral role of about 500 people and has a Victorian building and two church halls which are substantially used by the membership and the local community. It is served by two stipendiary clergy and often has a full time stipendiary curate St Marys also employs lay staff; a Youth and Families worker, two part time music staff and contributes to the cost of a Parish Operations manager. In each recent year, St Mary's Church has given over £230,000 to the Parish Support Fund (2019 £240,645) which not only covers the costs to the Diocese of the Ministry at St Mary's, but also supports the Ministry of the Church, through clergy stipends, across the diocese. This makes sure that the Church of England can provide ministry in even the poorest parts of South London.

St Mary's is a Stewardship church and it relies on the stewardship of its members in making its budget and does not make additional appeals in the form of an Annual Gift Day or hold fundraising events to raise money to cover its normal expenditure. In recent years, the planned annual giving of the congregation has been falling due to falling congregation numbers and the death of some generous contributors. In addition, expenditure has increased, in particular funding for half the cost of the Associate Vicar.

The annual unrestricted income of the church is approximately £400,000, of which about 60% arises from voluntary giving, 25% from hall lettings and the remaining 20% from the parking for tennis fortnight. The net contribution from the halls after expenses is over £70,000.

The church is expected to have the following reserves at the end of 2019:

	£
Unrestricted reserves	
Designated reserve – legacies available for specific projects (see Legacies Policy below)	179,078
Unrestricted reserves – available for all charitable purposes	285,759
Total unrestricted reserves held as net current assets	464,837
Restricted reserves	
Development Fund – for Renewal, the repair and enhancement of existing structures	239,731
Charles Eglington Bequest – available to maintain and improve the church	256,376
Spire Fund – to manage funds raised for the repair of the church spire	8,700
Minister Stipend Fund	425
Night Shelter Fund	765
Total Restricted reserves held as net current assets	505,997
Total Reserves held by St Mary's December 2019	907,834

The church committee has taken account of the following factors in arriving at their reserves policy:

- Money should only be kept in reserve for specific reasons – whilst churches should not hoard assets for no reason, it is also clear that it is sensible to plan for known events and to make appropriate contingencies for unforeseen ones, such as major future repairs to the church and halls.

- The high cost of maintaining a large Victorian church, and the certainty that substantial further expenditure will be needed in the next 3-20 years.
- The significant contribution of the net hall income and that these buildings need to be maintained to a high standard. Funds should be set aside each year to pay for the cost of maintaining these halls, and given the current operating deficits, these will have to come from unrestricted reserves.
- The risk that hall income would reduce substantially if a significant hirer got into financial difficulties.
- The dependence on voluntary giving which has been declining.
- The cost of supporting the Associate Vicar, the Families and Youth Worker and the Music staff.
- The cost of maintaining the churchyard and its monuments. The capacity of volunteers is insufficient to keep the churchyard in good order.

Draft Reserves and Legacy Policy

It is the policy of this church to hold in unrestricted reserves not less than £150,000 in cash, in order to ensure that it can meet its obligations to its staff and other running costs. This does not include unrestricted funds from legacies.

The Development Fund at approximately £435,670 is to be maintained at around half a million pounds to meet the cost of major repairs and improvements to the fabric of the church.

In addition to these we also restrict the use of legacies for the following purposes, holding them in reserve.

Large Legacies Policy for St Mary's Church Wimbledon November 2019

Where legacies are received and the use of the money is restricted by the deceased, the fund should be allocated to a separate restricted fund with restrictions according to the purpose defined in the will. This would include the £250,000 received in 2019 from the late Charles Eglington where the will stated that the money "be directed to the Development Fund and, at the discretion of the Rector and Church Wardens of St Mary's Church, be used to maintain and improve the external and internal fabric and accessories of the building over future years."

A new **Designated Unrestricted Fund** should be established for legacies received for unrestricted purposes which are considered large. A large legacy is considered to be large if it exceeds £15,000. This would include the £125,000 received in 2019 from the late Colin Mc Kerrow. These funds should be used:

For specific projects approved by the Church Committee, such expenditure not to be for routine repairs and maintenance or for expenditure for which the Development Fund, or any other restricted fund, is available or to contribute to meeting a deficit on annual church expenditure. In the case of a major problem, when there are insufficient funds available elsewhere, the Legacies Fund may be used to fund these emergencies.

Examples of specific projects (as in the first line above) could include:

- The funding of projects proposed in the Mission Action Plan
- Equipment for use in church services such as altar frontals, communion silver
- New chairs and other equipment for the halls
- The replacement of the Garden Hall glass wall

- New staging for use in church, halls and outside