

**CATHOLIC DIOCESE OF PORTSMOUTH ("THE DIOCESE")**

RESERVES POLICY

**1 BACKGROUND**

1.1 For some years the Trustees of the Diocese ("the Trustees") have been concerned that the level of the general funds of the Diocese may not be sufficient to sustain and support all of the work of the Diocese in the long term.

1.2 A significant proportion of the Diocese's resources are:

1.2.1 Permanent endowment;

1.2.2 Restricted funds; or

1.2.3 Designated funds; or

1.2.4 Funds held within individual parishes for use within those parishes.

**2 DESIGNATED FUNDS**

2.1 In order to help address this issue, the Trustees have created the following designated funds:

2.1.1 The Pastoral Development Fund – funded by donations, legacies and the proceeds of the sale of properties surplus to the Diocese's functional or investment purposes.

2.1.2 Insurance Risk Fund - a fund to manage and assist parishes to mitigate their exposure to loss or liability.

2.1.3 Education Fund - a fund generated from the sale of surplus school property, used to assist in school funding where other reserves are not available.

**3 LEVEL OF RESERVES**

3.1 The Trustees' policy is to retain sufficient reserves to cover at least two years' Curial department fund expenditure.

3.2 The Trustees' policy is to retain sufficient parish reserves to cover at least two years' parish fund expenditure. Where an individual parish reserve exceeds this limit the Trustees will work with the parish to establish suitable reserves policies for that parish having regard to the rights and privileges of that parish under Canon law.

**4 REVIEW OF POLICY**

4.1 This policy will be reviewed on an annual basis by the Trustees.

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Right Reverend Roger Francis Crispian Hollis, Bishop of Portsmouth

Dated: 2009