

GENERAL RESERVES POLICY FOR CAQM

General Reserves Policy

Unrestricted Funds

1. Following the closure in 2023 of independent charities that owned and managed two Meeting Houses (MHs) (and a separate burial ground), all MHs and Burial Grounds (BGs) are now owned by Cumberland Area Quaker Meeting (CAQM).
2. Funding of major repairs to MHs (in excess of circa £2,500) is normally the responsibility of CAQM's Premises Fund, and not of Local Meetings (LMs). CAQM is responsible for the exterior of MHs, and items like electrical re-wiring or major changes to plumbing in the interior. The LM Premises Committees will remain responsible for progressing such work, but will need to liaise with AM Trustees about the funding.
3. All repairs and maintenance of BGs is the responsibility of CAQM.
4. Local Meetings should not hold reserves for major repairs to MHs.
5. Reserves held by CAQM will allow for the types of buildings owned; for past historical expenditure; and for reasonably expected future expenditure. The Premises Fund should aim to hold 2½% of the total insured value of the premises for which CAQM is responsible. The actual amount in the fund may fluctuate.
6. After incidents of flooding in 2005, 2009 and 2015, insurers are no longer willing to provide cover for flood damage at Keswick MH. Consequently, Trustees have established a special reserve fund of at least £100,000 to be held in addition to the amount referred to in para 5 above.

This would equate to a total reserve of £325,000 (CAQM currently have approximately £333,000 in reserves including the sale proceeds of Wigton MH).

Trustees conclude that CAQM does presently hold sufficient reserve funding.

In the event of another catastrophic flooding incident in Keswick it may be necessary to consider the sale of the residential properties there - see point 11 below.

7. The guide for other reserves for unrestricted funds held by CAQM, and those held by LMs, will be a minimum of six months' normal expenditure, and not more than one year's normal expenditure.
8. Any sums held by LMs in excess of one year's normal expenditure shall be considered to be part of CAQM's reserves in the Premises Fund.

Restricted Funds

9. In 2021-23 Trustees exercised a provision of the Charities Act 2011 (Section 281) to spend the endowed capital of a number of historic restricted funds on the purposes of the fund, or on a similar purpose where it was no longer possible to match exactly the original purpose.

The only fund whose endowment capital was not spent in this way was the Henry Wright's Trust Charity (registered charity number 251360). The capital of this fund, as distinct from the accumulated income, cannot be spent and so cannot be counted towards reserves.

10. The proceeds from the sale of Wigton MH can be used but only for the purposes agreed with the Charity Commissioners. Consequently, this fund is able to count towards reserves.

The same principle applies to the proceeds from the sale of Whitehaven MH. However, no specific arrangement was made with the Charity Commissioners following the sale in 2015. Therefore, until such time as agreement is reached, CAQM cannot spend this money and so it cannot be spent or counted towards the reserves. Income from the investment may be used for the maintenance and upkeep of any property belonging to CAQM.

11. The residential properties known as Rogerfield and 25 St. Herbert Street in Keswick were bequeathed subject to a number of conditions, though when certain conditions are fulfilled, or *in extremis*, they may be sold. Current policy and practice is to hold £20,000 as a repairs reserve for Rogerfield and £10,000 for 25, St. Herbert Street. Beyond those amounts accumulated income may and should be used for the purposes for which the Marjorie Pollock Bequest and the Doris Liversidge Bequest were given.

12. Bequests to CAQM valued over £10,000 which are available for the general purposes of CAQM, though part of the CAQM General Fund for accounting purposes, may be held for up to ten years to enable CAQM to consider the best use to which the bequest may be put.

For any questions or clarifications regarding our General Reserves Policy, please contact:

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