

# Parish of Upper Wharfedale and Littondale

## Responsible Stewardship

### Context

The trustees have created this policy after prayerful thought, reflection and discussion to ensure clarity and transparency around:

- the Parish's wealth and its current financial position
- charitable giving and gift aid
- reserves
- fund raising

### Section A: Current Financial Position

The attached spreadsheet (appendix A) details a summary (2026) of the acquisition, management and deployment of Parish resources.

The attached diagram (appendix B) illustrates the Income Summary breakdown.

**It is important to note that the balance indicated does not reflect disposable income in that it includes reserves made up of designated funds, restricted funds and targeted funds (see below).**

### Section B: Charitable Giving and Gift Aid

This section of the policy has been created to meet the needs and demands of:

- our Parish Christian Mission and Imperative*
- promoting in the Parish the whole mission of the Church*
- *the Charities Commission*
- transparency in our communities*

#### ***Our Parish Christian Mission and Imperative***

As a local church community, and as a PCC, we are stewards both of the mission of the church, and of the resources available to the church.

We are charged to look outwards to the world, to be generous in the name of Christ, to avoid being inward looking, and see how we can make a **difference** for good.

**“Each one of you has received a special grace, so, like good stewards responsible for all these varied graces of God, put it at the service of others.” – 1 Peter 4:10**

We believe that God wants everyone to live in peace, with a fair share of the world's resources and with access to the necessities of life – food, water, shelter, education, health care and opportunity, regardless of race, gender and status.

**We take as our inspiration Jesus' words "to feed the hungry, clothe the naked, welcome the stranger, visit the sick and those in prison. Whatever you do to the least of these, you do to me" Matthew 25 v40.**

We therefore aim to support financially and practically a number of initiatives as a church and as church members: these include some of the most vulnerable people in society.

The annual amount budgeted for giving to charitable and missionary causes is determined prayerfully and practically by the PCC under the guidance of the Treasurer. For the purpose of this policy, it has been agreed that this sum will be set at 5% of income for the previous year (excluding any restricted income or extraordinary items).

By way of example, total income for 2025 amounted to £134,036 of which £2,500 was restricted and £16,730 was an extraordinary item leaving an adjusted income of £114,806. Therefore, the amount to be set aside for charitable donations in 2026 will be £5,740 (i.e. 5% of £114,806).

It is recognised that setting aside a fixed sum at the start of each year, may contribute to a deficit at the year end, but the PCC have considered that this is a low risk given the level of reserves available and that this policy will be reviewed in three years' time.

The PCC has determined that the amount donated to charitable causes each year will be paid from unrestricted Gift Aid claimed from HMRC for the previous year. It is expected that there will always be a sufficient margin between the amount of gift aid received and the amount of the charitable donation (as described above), but in the event that this is not the case, the amount of Gift Aid will represent the upper limit of the charitable donation.

Using a proportion of Gift Aid for this purpose has a number of advantages:

- it responds to and serves the Nehemiah principle that we should address injustice not only by calling others to act but also by giving up our entitlement for the sake of the poor
- it does not contravene the Charity Commission guidance
- it represents funds that are freely available to the PCC to use as it should wish
- it allays concerns that we are using Church funds for purposes for which they were not intended

### Selection of Charities to be supported

The charities/ beneficiaries are carefully selected by the PCC. We balance our giving between local organisations, regional charities, national charities with a U.K. focus, and charities with a wider, overseas focus that are efficient in their use of funds. These are those which typically deal with relief for the vulnerable.

e.g. victims of poverty, famine, homelessness

For 2025 these charities were:

UWRSG

Rabi (Royal Agriculture Benevolent Institute)

St. George's Crypt

Dementia U. K

### ***Promoting in the ecclesiastical Parish the whole mission of the Church***

The Church of England defines its mission by seeking to proclaim the Good News of Jesus Christ, which involves several key activities:

- nurturing new believers,
- serving human needs through loving service
- transforming unjust structures in society.

This is further broken down into the "five marks of mission," which include telling, teaching, tending, transforming, and treasure (in the sense of sustaining). The goal is to be a Christian presence in every community, making faith accessible to all through various expressions of church.

The PCC will therefore find itself making payments to a variety of charities as stated above and will renew the commitment with a PCC resolution on an annual basis.

If the charity we wish to support is not registered with the charities commission, we will scrutinise its workings with care and ensure that the money will be used appropriately in line with the mission of the Church.

Special Collections are held at various times of year for specific purposes e.g. British Legion (Remembrance Sunday), Food Bank (Harvest), Christian Aid (Lent), Children's Hospice (Christingle). These monies are distinct from other sources of income and are directed appropriately. Money collected on behalf of other charities is recorded in the accounts either as an agency or as a restricted fund.

## ***Charities Commission***

Places of worship such as churches, gurdwaras, mandirs, mosques, synagogues, temples and viharas are normally charities. This is because they normally have 'exclusively charitable purposes.' This means that everything they do is for the public benefit and fits within the legal descriptions of charitable purposes in England and Wales. These include:

- advancement of religion
- prevention or relief of poverty
- advancement of education

Having scrutinised advice received from Charity Commission in 2024 to the Parish of Upper Wharfedale & Littondale where distinction is made between grant making and donations, we wish to specify formally that our charitable giving is in the form of donations and not grants.

## ***Transparency in our Communities***

This document forms the **Responsible Stewardship policy of the Parish** and is published on our website, in our Parish magazine and referred to during services.

## **Section C: Parish Reserves**

Effective Date: 31st December 2025

Approved by the Board of Trustees on: 26.11.25

Next Review Due: (Three Yearly)

### 1. Purpose of this Policy

This Reserves Policy sets out the approach of Upper Wharfedale & Littondale PCC [UW&L] to managing its financial reserves. The charity maintains reserves not only to ensure financial stability and sustainability but also because income generated from these reserves forms a core part of the charity's funding for its day-to-day charitable activities.

### 2. What Are Reserves?

Reserves are that part of the charity's unrestricted funds that are freely available to spend on any of the charity's purposes. This excludes:

- Restricted funds (which must be used for specified purposes)

- Designated funds (earmarked by the Trustees for specific future projects)
- Tangible fixed assets used in the charity's operations

For the purposes of this policy, "reserves" refers specifically to unrestricted, income-generating financial investments held to support the charity's ongoing activities.

### 3. The Role of Reserves in Funding Activities

Unlike charities that hold reserves solely for contingency or future spending, UW&L relies on investment income generated by its reserves to meet part of its regular operating expenditure. This includes:

- Day to day expenditure and running costs
- Administrative and staffing costs
- Ministry and Parish Share contributions

Investment income is a planned and necessary part of the charity's income mix and is budgeted annually to ensure alignment with the charity's objectives and long-term sustainability. This reserve is an asset that ideally remains untouched but could be available for emergencies in exceptional circumstances (See Section 6 below).

In addition, UWL seek to maintain cash reserves in its current account to meet unexpected short term cash flow requirements.

### 4. Reserves Level

The Trustees aim to maintain a minimum level of reserves sufficient to:

1. Generate a sustainable income stream, based on prudent investment returns
2. Ensure long-term financial stability, especially in periods of reduced fundraising or other external income.
3. Provide flexibility and resilience to respond to unforeseen events or opportunities.

#### Target Reserves Level

The target level of reserves is reviewed annually, but is currently set at:

- £300,000 in medium/long term investments, representing the capital required to sustainably generate C£9000 per annum in investment income (based on a long-term average return of 3%);
- This income forms approximately 10% of the charity's annual unrestricted expenditure.

In addition:

- Approximately three months' worth of core expenditure (currently c£18,000) retained in cash

The Trustees will reassess this level annually, taking into account:

- Investment market performance
- Changes to charitable expenditure
- Risk assessments and contingency needs

## 5. Investment Strategy

The charity's reserves are invested in a way which aims to balance income generation with capital preservation and ethical considerations aligned with the charity's values.

The investment portfolio is managed by CCLA Investment Management and UW&L reserves are invested within their CBF Church of England Investment Fund.

## 6. Use of Reserves

While the capital base of the reserves is generally maintained, Trustees may authorise the use of capital (not just income) in specific circumstances, including:

- To fund strategic initiatives or one-off opportunities
- To cover shortfalls in income during periods of financial stress
- In response to emergencies or exceptional events

Such use will only be considered after careful risk assessment and will be reported transparently in the charity's annual accounts.

## 7. Monitoring and Review

The reserves level and policy are reviewed at least annually by the Board of Trustees as part of the budgeting and risk management processes. This includes:

- Reviewing actual and forecast investment income
- Assessing future funding requirements
- Considering any material risks or changes to the charity's operating model

Any material changes to the policy will be approved by the Board and published in the Trustees' Annual Report.

## 8. Transparency

Details of the charity's reserves, including how they are used, the investment income generated, and how they support ongoing activities, will be disclosed clearly in the annual report and accounts to ensure transparency to stakeholders and compliance with regulatory expectations.

## 9. Approval and Review

This policy was approved by the Board of Trustees on 26.11.25.

It will be reviewed on or before November 2028

## **Section D: Fundraising**

We are very grateful to all our communities for the efforts made to raise funds both for our Churches and for other causes. It is always specified how proceeds will be used. These monies are distinct from other sources of income and are directed appropriately. Money collected on behalf of other charities is recorded in the accounts either as an agency or as a restricted fund.

Special Collections are held at various times of year for specific purposes e.g. British Legion (Remembrance Sunday), Food Bank (Harvest), Christian Aid (Lent), Children's Hospice (Christingle). These monies are distinct from other sources of income and are directed appropriately. Money collected on behalf of other charities is recorded in the accounts either as an agency or as a restricted fund.

**This policy will be reviewed by the trustees in March 2027**