



# Michael and Christine Foulger Charitable Trust



## Investment and Reserves Policy

### 1. Preamble

The [Managing Document](#) requires that:

- 6.1 Trustees will formulate a policy for reserves as recommended by the Charity Commission notice CC19.
- 6.2 Trustees will formulate a policy for investments as recommended by the Charity Commission notice CC14.

This document fulfils both of these requirements.

At each Annual Meeting the Trustees will debate and approve an Investment and Reserves Policy, which will then be published.

### 2. Objectives

It was always Michael's wish that his endowment would create a Trust which would last for many years, continuing the work that he and Christine had undertaken during their lifetimes for over 40 years. The Trustees therefore have two goals which need to be balanced against each other:

- 2.1. Supporting current deserving projects for the benefit of today's residents of the Parishes
- 2.2. Preserving the endowment so that income can be generated to support projects that might be proposed in the future.

### 3. Reserves Policy

- 3.1. The Trustees will aim to maintain at least half of the original endowment as a restricted "Endowment Fund" restricted to be used for investments which will yield income to support its grant making activities over a long period.
- 3.2. The remainder of the endowment will be held in a restricted "Grants Fund" from which the Trustees will release an agreed level of funds each year to fund a maximum level of grant making activity agreed.
- 3.3. An unrestricted "Operational Reserve" will hold:
  - a. funds released by the Trustees that year for grant making,
  - b. any grants already approved in previous years but not yet paid,
  - c. sufficient funds to cover expected administration costs for that year and liabilities carried over from previous years
- 3.4. All year end surpluses (less known liabilities) will be returned to the "Grants Fund" for possible reallocation at the next Annual Meeting, should the Trustees see fit.

### 4. Investment Policy

The Trustees propose:

- 4.1. To use the "Grant Fund" to make conservative investments on medium term notice, spread across several institutions covered by the FSCS (Financial Services Compensation Scheme). The

goal of these investments must be to protect the endowment whilst yielding an income to support grant making activities.

- 4.2. To invest some or all of the “Endowment Fund” in rental property within the village if they are satisfied that the endowment will be protected and that the rental income will give an improved yield over financial investments.
- 4.3. To use an agreed proportion of the “Grant Fund” or “Endowment Fund” to provide interest bearing loans to the beneficiary organisations for projects which the Trustees deem to be beneficial to the community. Such loans must have an interest rate at least equivalent to the best rate currently being achieved from other financial investments. A clear plan for repayment of the loan over a maximum of 5 years must be demonstrated by the beneficiary organization.
- 4.4. The “Operational Reserve” will be held on short term deposit with sufficient funds in the current account to cover all known liabilities and administration costs.

**Approved by the Trustees on 23<sup>rd</sup> January 2017**

1.	Redacted - for privacy	4.	Redacted - for privacy
2.	Redacted - for privacy	5.	Redacted - for privacy
3.	Redacted - for privacy	6.	Redacted - for privacy