

Financial reserves policy

The main objective of the Friends of Bristol Museums, Galleries and Archives (“the Friends”) is the education of the public by promoting, supporting, assisting and improving Bristol Museums, Galleries and Archives (BMGA) through the activities of a group of supporters. In doing so the Friends raises money for the benefit and use of BMGA through two main sources:

- a) annual membership subscriptions and
- b) net proceeds from a varied programme of visits, lectures and other events for members.

From time to time, monies are also received from gifts, donations and legacies.

The Friends of BMGA is a registered charity and wholly independent from BMGA. It is run by an Executive Committee (EC) of member volunteers that has two funds – a general fund and an art fund – from which it makes grants to BMGA following the submission of detailed funding requests/applications. The art fund was inherited from the Friends of Bristol Art Gallery in 2019 and is reserved for purchases and expenditures related to art as deemed to be so by the EC. The general fund is available to meet any requests by BMGA, including those for art.

Apart from administration costs, and working capital needs, the bulk of the Friends’ expenditure is governed by responses to requests for grants by the management and staff of BMGA. The EC cannot control the frequency or value of requests for funding as grant applications are submitted by BMGA as and when opportunities to acquire items or support projects arise. Furthermore, the Executive Committee can refuse funding requests but usually do not give BMGA funding it has not requested.

The EC keeps appropriate cash reserves immediately available for working capital needs and to meet purchases following funding requests. Each year, BMGA advises the EC of the amount that should be held in instantly accessible accounts (currently recommended at £60,000), in the event of unforeseen opportunities or circumstances affecting BMGA. £20,000 is added for working capital needs.

A proportion of any remaining uncommitted funds or reserves can be invested as deemed appropriate from time to time by the EC in one or more short term, fixed interest rate accounts or bonds, typically no longer than 12 months duration. Accounts chosen for investment will be suitable for charities, will be the best rates available and will be covered by the Financial Services Compensation Scheme that gives savings protection up to £85,000.

A sub-committee including the Chair, the Treasurer and the Secretary will, from time to time, make investment recommendations to the EC for approval.

The EC is not in favour of investing any of its reserves or uncommitted funds in the Stock Market owing to the longer term nature (ie 5+ years) of this type of investment. This is kept under review. Should circumstances change, the EC would seek advice from an Independent Financial Adviser prior to any stock market investment.

The Reserves Policy is reviewed annually and a report on compliance with it – as recommended by the Charity Commission – is included in the Annual Report.