

## Reserves Policy

### Principle

Building reserves within \_\_\_\_\_ supports the overall development of the setting and is an integral part of our financial planning. A Reserves Policy and adherence provides confidence that the Setting can meet its operational requirements.

### Policy

The Reserves Policy was agreed following an analysis of the following four factors.

- Forecasts of levels of income in current and future years taking into account the reliability of each source of income and the prospects for opening up new sources.
- Forecast for expenditure in current and future years on the basis of planned activity;
- Analysis of any future needs, opportunities, contingencies or risks, the effect of which are not likely to be met out of income if and when they arise.
- Assessment of the likelihood of each of those needs and risks materialising and the potential consequences of the Setting not being able to meet them.

On the Basis of this review, the management committee has defined the following reserves in order to meet both the current and imminent future needs of the setting.

Restricted Funds will be maintained at a level of \_\_\_\_\_ for the purpose of \_\_\_\_\_.  
(Funds that cannot be used for any other purpose and therefore unavailable) if applicable.

Unrestricted Reserves will be maintained at a level of \_\_\_\_\_.  
(Funds that are available for use) if applicable.

Designated Funds will be maintained at a level of \_\_\_\_\_ for the purpose of \_\_\_\_\_.  
(Funds that are set aside for a particular purpose or use and therefore unavailable) if applicable.

Long Term Reserves will main at a level of \_\_\_\_\_.  
(Funds that cannot be liquidated for the example fixed assets) if applicable

### Procedure

To ensure this policy is complied with \_\_\_\_\_ will endeavor to ensure:

- That we maintain our level of reserves as outlined above.
- The level of reserves are consistently reviewed with future financial sustainability in mind.
- Work with the treasure to ensure reserve levels are monitored and maintained.

**Monitoring**

This policy will be reviewed annually by the Management Committee to ensure it remains fit for purpose.

This policy was adopted by.....Management Committee

**Signed:**.....on behalf of the Management Committee

**Position:**.....

**Date:**.....

**Reviewed on:**

**Date:**.....

SAMPLE