

# Reserves Policy

**The Charity Commission’s CC19 guidance states:** “There is no single level or even a range of reserves that is right for all charities. Any target set by trustees for the level of reserves to be held should reflect the particular circumstances of the individual charity. To do this, trustees need to know why the charity should hold reserves and, having identified those needs, the trustees should consider how much should be held to meet them.”

## Aim

The aim of this policy is to ensure Youth@Heart (the charity) has monies in place as a contingency for 1-year core cost expenditure as a result of unforeseen/unexpected circumstances. Reserves are held to help the charity continue to operate effectively and should be unrestricted free reserves.

## Objectives/Implementation

As a result of unexpected/unforeseen circumstances:

- Unforeseen operational core costs.
- Emergencies or unexpected events
- Covering short term deficits in cash flow

The sum of 1 years operational core costs, (to be calculated annually by the treasurer and agreed at a meeting of the board of trustees) will be set aside in the Youth@Heart Shawbrook account. The funds allocated to reserves may only be drawn with the approval of the board of trustees.

Analysis of any shortfall or excess against the reserve target set and a description of any action(s) being taken to bring the reserves into line with the target should take place annually.

In the Annual Report the charity must include:

- a statement of policy on reserves;
- the level of reserves held and an explanation of why they are held;
- where actual funds have been designated, the amount and the purpose of the designation should be explained;
- where designated funds are set aside for future expenditure, the likely timing of that expenditure.

**This Reserves Policy**, and the Procedures detailed above were agreed and ratified at a meeting of the Board of Trustees on:

Name:.....

Signed:.....

Date:.....

<b>Review Date</b>	
<b>Reviewed By</b>	<b>Trustees</b>