

## Funds and Reserves Policy

### Policy statement

The purpose of this policy is to ensure that in so far as is possible and reasonable, the Charity holds sufficient funds in reserve to meet unexpected expenditure and to ensure that funds are accounted for in accordance with donors' wishes.

### Procedure

1. The Treasurer will account for the expenditure of donations in accordance with the donors' wishes.
2. The Treasurer will include reserves in the annual accounts in accordance with the policy guidelines.
3. The Board will review the need for these reserves and, with adjustments as necessary, approve them.
4. During the year, the Board may agree to allocate funds from a reserve account to cover significant unexpected expenditure.

### Funds

#### Designated funds

The Charity may have designated reserves for specific projects, where funds are allocated for specific purposes but possibly will not be spent in that financial year. The level of, and continued justification for, designated reserves should be reviewed by Board on a regular basis, and not less than annually.

#### Restricted funds

Restricted funds may only be used, within the objects of the Charity, for the purposes specified by the donor or when funds are raised for particular restricted purposes.

### Reserve levels

#### General reserve

The Charity should hold revenue reserves for reasonable working capital or for specifically earmarked purposes. Therefore, the year-end general reserve should not be higher than the annual budgeted expenditure.

### Document control

Last updated	15 November 2022
Next review	