

Policy statement

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

Definitions

Restricted funds

Restricted funds may only be used, within CANDI's charitable objectives, for the purposes specified by the donor or when funds are raised for particular restricted purposes.

Designated funds

CANDI may have designated funds 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 funds should be reviewed by Board on a regular basis, and not less than annually.

Unrestricted funds

Unrestricted funds, or general reserves, can be used in accordance with the charitable objectives at the discretion of the trustees.

Reserves policy

The Board has identified the following reasons to hold reserves:

- To provide financial stability to enable CANDI to continue to achieve its objectives during challenging trading periods
- To allow CANDI to take advantage of strategic development opportunities and plan for future growth
- To enable CANDI to make investment decisions in accordance with the investment policy and enable CANDI to consider opportunistic investments which may not be within the strategic plan.

Reserve levels

General reserve

CANDI should hold unrestricted funds for reasonable working capital or for specifically earmarked purposes. Therefore, the year-end general reserve should not be higher than the annual budgeted expenditure.

Procedure

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

Document control

Last updated	11 March 2025
Next review	14 March 2028