



MAINDEE UNLIMITED RESERVES POLICY

What are Reserves?

Reserves are unrestricted cash funds we hold that are not already designated for a specific purpose. Some of our income (for example grants given for specific purposes), is “restricted” income. This means that the way we spend that income is restricted to the purpose for which it was given to us. Other income we receive is “unrestricted” and can be spent on whatever Trustees decide, as long as this meets one or more of our charitable objects as described in our constitution. Our “reserves” are the funds we hold at any time that are unrestricted or have not been “designated” for a future purpose, such as saving to buy a big item.

Why do we need a policy on this?

- To guide Trustees on the appropriate level of reserves to be held.
- To assure the public, members and funders that we are not holding onto excessive funds that should instead be being spent on our charitable objects.
- To comply with requirements of external or regulatory bodies that may require us to have such a policy in place.

Our policy on reserves

The Charity will, where financially possible, maintain reserves at an appropriate level to protect the Charity from cash-flow problems or to provide some protection of planned expenditure if income targets are not met.

The Charity will annually set the target for maximum and minimum levels for reserves at our Annual General Meeting.

The Treasurer will be responsible for proposing levels, based on the income and expenditure levels of the Charity at that time and other relevant factors. The current target reserve levels are £5000 (min) and £25000 (max).

Any designated funds will only be used for legitimate purposes and not to artificially reduce reserve levels.

The maximum reserve level can be breached for a period of not more than 3 months without the need for further action.

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