

South Harford & Tuckswood Community Association

Charity Reserves Policy

Intent:

The purpose of this policy is to clarify the charity reserves held by South Harford & Tuckswood Community Association (SH&TCA). The reserves policy must be in the best interest of the Association and the operation of Harford Community Centre.

What are reserves?

Reserves are part of a charity's financial assets. They are unrestricted, so available to be used as the charity sees fit. Within the category of unrestricted funds, they are classified as general funds, as opposed to designated funds.

How may reserves be used by SH&TCA?

- To ensure continuity in the event of a large variation in income.
- To spend in emergencies
- To pay for specific future projects which the charity intends to undertake

Levels of reserves:

Reserves need to cover the general running and operation costs of Harford Community Centre for a period of 6 months

SH&TCA has set a reserve of £35,000 - £50,000

This figure is taking into consideration:

- Monthly expenditure of Harford Community Centre on wages and utility bills
- How able we are to reduce service delivery on a temporary basis in an emergency and how much this would reduce our costs by.
- What regular expenditure might be reduced temporarily in an emergency.
- How much it would cost us to close down (redundancy)

This policy will be reviewed every two years.

Date agreed: March 2025

Signature (Chair):

Signature (Secretary):

Date of review: March 2027