

**Friends of Riverside 27th July 2016** (Version1)

**RESERVES**

Friends of Riverside are conscious of the need to set aside financial reserves both for specific payments and in case of emergency or unforeseen expenditure.

***Risks:***

1. *An unforeseen expense or emergency or a reduction in income from lettings may result in a deficit of funds or a cash flow shortfall. This could in turn mean that there are insufficient funds to run The Riverside Community Centre, support projects and events and pay outstanding running costs.*
2. *Funds intended for a specific longer term project, event, or a piece of equipment or the like may be spent on other more immediate projects, events and costs, if they are not earmarked or ring fenced. This would mean that there would be insufficient funds available for the longer term projects.*
3. *If too large an amount of reserves is set aside or if the reserves are accumulated too quickly, this may mean a restriction on projects, events, purchasing equipment or negatively affect the running of the Riverside Community Centre.*

***Policy Objectives:***

1. *To ensure there are sufficient funds to continue running the Riverside Community Centre, associated projects and events, in the event that income is reduced or payment is required for an out of the ordinary or unforeseen expense or emergency.*
2. *To ensure sufficient reserves to cover the equivalent of approximately 3 months’ worth of running costs.*
3. *To build up reserves over a time period which the Trustees deem is appropriate.*
4. *To allow earmarked reserved funds for specific projects or payments.*
5. *The Trustees will monitor the reserves and review the amount and appropriateness on an annual basis or sooner if any reserves are used.*

**RESERVES POLICY**

1. Friends of Riverside will aim to ensure that there are reserved funds which may be used to continue running the Riverside Community Centre, associated projects and events, in the event that income is reduced or payment is required for an out of the ordinary or unforeseen expense or emergency.

1. The amount of reserves will be calculated at approximately 3 months’ worth of costs, rounded up to the nearest £100. If the reserved funds are spent for any reason, then the Trustees will aim to bring them back to an agreed level in a time frame, to be decided by them.
2. Friends of Riverside Trustees will agree a time period in which to build up reserved funds, as they deem appropriate.
3. Specific earmarked reserves may be set aside at discretion and agreement of the Trustees.
4. Friends of Riverside Trustees will monitor the reserves and review the amount and appropriateness on an annual basis (prior to the end of each financial year) or sooner if any reserves are used or at the request of a Trustee. The policy will be held online and updated with any amendments as appropriate.

*This policy was proposed and agreed at a minuted meeting of the Friends of Riverside Trustees on 27/07/2016. It was agreed to aim for reserves of £6,000 to be accumulated over the next year or sooner if possible.*

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| **Review Meeting Date** | **Current Status of Reserves (including any earmarked reserves)** | **If the Trustees agree that the current policy should be amended, then what action is or has been taken in this respect. Please specify how the policy has been amended (if any e.g. increase in amount of reserves) and Completion Date (if any)** | **Date of meeting of the Trustees and where any amendments have been agreed and minuted** | **Date the Friends of Riverside Website updated** |
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