Financial Reserves Policy

The Board of Trustees recognises the importance of being able to maintain and safeguard sufficient financial reserves within the group. The Board are keen to be able to fulfil its responsibilities to the staff team and to any creditors in the case of the need for full closure of the group, or indeed should there be a need to reduce the level of services and hence individual staff members employed.

- The Board seeks to ensure that sufficient funds are retained to ensure at least the full redundancy commitment of the current staff team will be achievable should full closure of the group be required. Further to this the Board understands that a minimum of a month's notice of closure will be required and will seek to ensure there are enough funds in place to cover a month's wages for the full team. Further to this there will be the requirement to cover rent / necessary utility costs and creditor costs. The Board aspires to having sufficient reserves to cover a full 3 months' costs and seeks to work towards this position.
- A 6-monthly review is made to ensure that the current redundancy requirement is correct. This recognises that the redundancy requirement will increase alongside staff retention and the increase in age of individual staff members and may decrease should a member of staff leave the team.
- A 6-monthly review is made of any changes in rent / utility / creditor requirement. Reviews will most normally take place for the start of the new financial year and again in October.
- Separate bank accounts are maintained to be able to monitor the levels of funds appropriate to each group that the Trustees are responsible for.
- When reserves are below the level required the Trustees will seek to fundraise, seek grants or make any operational changes within the group's structure to enable sufficient funds to come into the group to maintain effective viability.

Policy formulated on: December 2011

Policy last reviewed on: October 2019

Signed: _g. Wostacott_

13ᵗʰ November, 2019