

TITLE:	REDS IN THE COMMUNITY	REF: WB/17	RITC
	RESERVES POLICY		

Reds in the Community

Reserves Policy

1. Background

1.1 Reds in the Community is a Registered Charity and a Company Limited by Guarantee registered in England and Wales. Charity Number 1118735. Company Number 6081731. The objects of the charity, as set out in the Articles of Association, are:

“The Charity’s objectives (“the Objects”) are for the benefit of the public generally and in particular, the inhabitants of Barnsley and surrounding areas:-

- To promote community participation in healthy recreation by providing facilities for the playing of association football and other sports capable of improving health
- To provide and assist in providing facilities for sport , recreation or other leisure time occupation of such persons who have need for such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving their conditions of life; and
- To advance the education of children and young people through such means as the trustees think fit in accordance with the law of charity.

1.1 The Charity Commission expects trustees to decide, publish, implement and monitor their charity Reserves Policy so that they can comply with their legal duties to:

- Act in the interests of their charity and its beneficiaries
- Protect and safeguard the assets of their charity
- Act with reasonable care and skill
- Ensure their charity is accountable

In practice, this means that trustees should develop a Reserves Policy that:

- Fully justifies and clearly explains keeping or not keeping reserves
- Identifies and plans for the maintenance of essential services for beneficiaries
- Reflects the risks of unplanned closure associated with the charities business model, spending commitments, potential liabilities and financial forecasts

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- Helps address the risks of unplanned closure on their beneficiaries (in particular, vulnerable beneficiaries) staff and volunteers
- Publish the Reserves Policy (even if not required by law) and ensure it is tailored to the charity's circumstances – it should not be just standard form of wording. It should explain to funders, beneficiaries, the public and the commission exactly what the reserves are kept (or not kept) for and when they are to be used
- Larger charities are required to publish their assessment of the risks that the charity faces and how to manage them in their annual report
- Make sure that their Reserves Policy is put in place and operated
- Regularly monitor and review the effectiveness of the policy in the light of changing funding and financial climate and other risks

1.2 The trustees continue to keep under review the level of unrestricted funds held and the current level is considered necessary for the following reasons:-

- To ensure sufficient reserves to cover expenditure for a period between four to six months should income levels not be maintained
- To ensure sufficient reserves to meet any redundancy costs that might be incurred should it become necessary to reduce staff levels as a consequence of a fall in income levels
- To meet any unexpected costs that might be incurred as a result of any unplanned incident or event that affect the normal operation of the charity

1.3 The Charity Commission also recommends that a charity should set a maximum that it intends to keep in its reserves. The charity intends that the total level of unrestricted funds should not exceed twelve months revenue expenditure.

2. Monitoring

2.1 In order to enable trustees to monitor unrestricted funds, the trustees report prepared by the Chief Executive Officer, submitted to the Board of Trustees every three months, will include details of the reserve fund.

2.2 The amount of unrestricted funds will be reported upon in the Annual Report.

3. Review

3.1 This policy will be reviewed annually for its effectiveness

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Approved by the Board of Trustees on 27.4.17 and was duly signed on its behalf by:



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Wayne Bullimore
Chief Executive Officer

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