



## Reserves Policy

Emersons Green Village Hall is a small, local charity. Its purpose is to run Emersons Green Village Hall for the benefit of the local community. We hire rooms to various community groups and organisations running activities for local residents on a regular basis. We also take bookings from individuals, organising private events or activities, and companies.

Our funding streams are income from room hire; partnerships with local government organisations; grants; and donations. Our main source of income is from room hire but recent issues with the economy have led to an increasing reliance on partnerships and grants.

We need a reserves policy in case of an emergency or unforeseen expenditure, especially as our charity controls a building and employs staff. We have used “CC19 Charity Reserves: Building Resilience” by the Charity Commission as our guide in drafting this Policy.

Reserves are the part of a charity’s unrestricted funds which are freely available to spend on any of the charity’s purposes. When considering the level of reserves we should retain, we have considered the following factors:

- Current level of income;
- Potential future income and its reliability;
- The likelihood of new income streams;
- Current expenditure;
- Foreseen expenditure;
- Future needs, opportunities, commitments and/or risks, especially where future income is unlikely to cover the anticipated costs;
- The likelihood of a shortfall and the implications of us not being able to cover it without reserves.

The Board of Trustees therefore considers it appropriate to hold six months of governance and operational costs in reserve. The current range for this is £90,000-110,000.

The Trustees will review this Policy regularly and at least every twelve months.

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