

## **Barrasford Village Hall Reserves Policy.**

A formal policy on reserves was agreed at the November 2023 meeting of the executive committee.

### **1. Introduction**

The cash reserves policy has 2 purposes:

- A) To maintain reserves at a level which ensures that Barrasford Village Hall's core activity could continue during a period of unforeseen difficulty.
- B) To mitigate the risk of loss from fraud, surplus cash from the day to day operational account is to be treated as reserves and transferred to the Reserve Cash Account ('Rebuild'); this is the working reserve.

A proportion of reserves are to be maintained in a readily realisable form.

### **2. Current policy**

**Minimum Reserve:** The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle and should be sufficient to cover operating costs, without income for at least 2 years

It takes into account:

- Risks associated with each stream of income and expenditure being different from that budgeted
- Planned activity level
- Organisation's commitments

Initial (2023-24) guideline reserve is a minimum of £10,000

**Working Reserve:** Monies above the minimum reserve may be used primarily for the maintenance and improvement of Barrasford Village Hall and may be used to top up the 'day to day' account in the event of short term losses. Money transfers from the working reserve must be notified to the trustees.

**Security:** No direct or automated payments should be made from the reserve account, all payments must be made via transfers to the 'Day to Day' account.

Cash reserves can only be accessed by the 3 signatories agreed at the AGM