Stainton Village Hall Trust

Reserves Policy

This policy explains what Stainton Village Hall Trust aims to achieve through the maintenance of reserves, the planned level of reserves, and the process of reserves monitoring.

Overview of the Charity's Policy on Reserves

The policy of Stainton Village Hall Trust is to hold sufficient money to act as a buffer against those "rainy days" where, for a variety of reasons, the charity finds that its payments are outstripping its receipts in a way that, without reserves, the charity would be unable to pay its bills on time i.e. to be financially sustainable.

The Trust earns limited income each year from donations, a 100 club, raffles and surpluses on ticket sales for events. Generally, it just covers the running costs of the hall and events undertaken. The Reserves policy is designed to ensure we hold enough funds to cover:

Contingency: unexpected expenditure in the event of an emergency or unexpected loss of income or change in government policy e.g. rate relief;

Opportunities: a commitment to expenditure which cannot be covered by the annual income such as developing resources for the village;

Closure: the legal costs of closing down plus providing some funds to support the hall for the charity/organisation taking over the Village Hall Trust's assets

How the trustees have identified the level of reserves

Contingency

- Day to day running expenses including utilities, general maintenance and insurance annual costs £1,500 – held in reserve in case have interruption to income such as Covid
- £1,000 repairs fund - held in case have unexpected repairs to building
- £650 business rates – cost if lost mandatory rate relief because of a change in policy

Opportunity fund

- £5,000 available for support of major projects in village where match funding or money for cashflow while waiting for funding is required.

Closure

- £2,000 in event of closure to cover legal costs and a contribution to running costs for the organisation taking over the assets of the Trust

The level of reserves required

Based on the above the trustees have identified that Stainton Village Hall Trust should hold reserves of £10,150

Spending of reserves

Spending of reserves must comply with the charitable objects of the Trust and must be formally agreed and voted on by trustees.

Reserves monitoring

Money in each account and the level of reserves are reported at each committee meeting.

How and when the reserves policy will be reviewed

The trustees review the reserves policy at least every three years or as necessary if financial circumstances change, for example, the charity receives a bequest or large grant or there is a significant change in expenditure. The Opportunity fund level is reviewed annually when the budget and plans for the year are being created.

Change Record

Date of change	Changed by	Comments
20th April 2021		Policy approved by trustees