




Totton & Eling Community Association CIO Reserves Policy

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1) Reserves Policy

Version	Action	Date	Signed
Issue 01	Issued	31/07/22	 C D Compton
	Authorised		

2) Introduction

- a) In line with the guidance issued by the Charity Commission the Totton & Eling Community Association (the CA) shall set aside an amount equal to a minimum of 3 months running costs plus the cost of closing the Totton & Eling Community Centre. (See Redundancy Policy). The reserves must be maintained at this level or above, to ensure the charity can run efficiently and meet the needs of the beneficiaries.
- b) The actual amount shall be recalculated prior to each AGM and the actual amount declared at the AGM.

3) Maintenance

- a) Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of the CA for the Reserves to be used and replenished within a reasonably short period of time.

4) Use of the Reserve.

- a) The Treasurer and Trustees will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy.
- b) The Treasurer will then submit a request to use Reserves to the Committee. The request will include the analysis and determination of the use of funds and plans for replenishment. The organisation's goal is to replenish the funds used within twelve months to restore the Reserve Fund to the target minimum amount. If the Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully.

5) Reporting and monitoring.

- a) The Treasurer is responsible for ensuring that the Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Reserve funds, the Treasurer will maintain records of the use of funds and plan for replenishment and will provide regular updates to the Management Committee.