

Reserves policy



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| Centre Name | |
| Centre Address | |

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|-------------------------------------|-----------------|
| Policy Name | Reserves policy |
| Policy Number | |
| Date Created | |
| Effective Date Adopted by the Board | |
| Version Number | |
| Date of Last Version | |
| Administrator Responsible | |
| Administrator Contact Information | |

POLICY HISTORY

| Version Number | Approved by | Revision Date | Author |
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DOCUMENT CONTROL

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|----------------|--|------------------------|-----------------|
| Document Ref | | Title | Reserves policy |
| Version & Date | | Author | |
| Directorate: | | Approved by Management | |
| Reviewed | | Change History | |

You can fill this out on a screen using Adobe Reader [Download Here](#) or by printing.



Reserves policy

Enter Centre Name Here

The board of directors of _____ approved version (insert version number) of this reserves policy on the (insert date). The amendment to the Companies Act 2014, saw _____ convert to a Company Limited by Guarantee with no share capital. Going forward the directors of the company will review this policy on an annual basis.

Version (insert version number) of this policy is approved – (date to be included when approved)

This policy states that the directors have set a reserve, which requires:

1. Those reserves are maintained at a level, which ensures that _____ core activity can continue during a period of unforeseen difficulty up to and including a minimum period of thirteen weeks.
2. A proportion of reserves are available in a readily releasable form i.e. (insert name of bank account where reserves are held)

The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast for the year (insert year).

It takes the following into account:

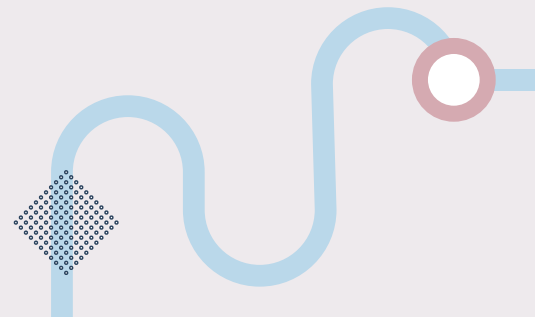
- Risks associated with each stream of income and expenditure being different than that originally projected in the annual budget.
- Planned activity level
- Commitments to external stakeholders.
- Any essential refurbishment short fall costs deemed necessary for the ongoing viability of the _____
- Wind up of the company

The unrestricted reserves of _____ are designated and allocated to meet the above risks and contingencies, which are summarised as follows:

1. Sinking fund for building repairs
2. To meet unexpected costs such as break down of essential equipment or occurrence of unforeseen circumstances e.g.: machinery/ heating systems, office equipment, frozen/broken pipes, flood or fire.
3. To replace equipment as it reaches its end of life through wear, tear, and age.
4. To meet unexpected staffing costs i.e.: occurrence where the organisation incurs costs owing to hiring temporary staff when necessary.
5. Any other occurrence relevant to your organisation such as redundancy



Reserves policy



6. (outline if the community centre is reliant on Community Employment schemes or other staffing schemes to help cover staffing costs)
7. To provide working capital when funding is paid in arrears or where a tenant vacates, and no replacement is found.
8. Meet contractual liabilities should the organisation have to close. I.e. amounts due to creditors and other financial commitments

RESERVE TABLE FOR THE ORGANISATION

| Reserve Line Item | Description | Required funds (DESIRED AMOUNT) | Funds on hand (CURRENT) |
|---|---|---------------------------------|-------------------------|
| Capital Cost | Covers unforeseen major capital expenditure/repairs of the building | € | € |
| Funds held to cover end of life equipment replacement | Equipment that needs to be replaced to enable the continuation of service delivery | € | € |
| Development and Other Contingencies | Day to day operating running costs for the facility | € | € |
| Staff Wages | 13 weeks wages | € | € |
| Redundancy | In the case where staff that have been employed by the organisation have to be made redundant | € | € |
| Total Reserve | | € | € |

There is currently a short fall of € in the reserve account

At the (date) , there is a balance of €X in the reserves account, which is held in X account. The board of directors must review all expenditure from the reserves account in advance. The authorisation levels attached to the reserve account are in line with the centres financial policy. (Any two of the approved signatories)

This policy dated the (insert date) and is subject to review no later than 12 months from this date.

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|-------------|--|
| Chairperson | |
| Director | |
| Date | |

