



WOOLAVINGTON VILLAGE HALL POLICIES AND PROCEDURES

RESERVES POLICY

WOOLAVINGTON VILLAGE HALL **RESERVES POLICY.**

1. The Committee has set a reserves policy which requires reserves be maintained at a level which ensures that Woolavington Village Hall's core activity could continue during a period of unforeseen difficulty. These reserves will be maintained in the trusts second current account separate from the current account used for day-to-day banking both being held with Santander Bank.
2. The calculation of the required level of reserves is an integral part of the organisation's planning, budget and forecast cycle. It takes into account:
 - Risks associated with each stream of income and expenditure being different from that budgeted
 - Planned activity level
 - Organisation's commitments
3. The agreed level of £12,000 represents approximately 12 months operating expenses and will ensure that enough short term funds are available in the event of one or more of the following events so that the operations of the Hall and any designated project expenditure would not be affected in all but the most extreme circumstances.
 - The risk of incurring significant expenditure that cannot be delayed.
 - The risk of suffering significant unforeseen loss of income which cannot be replaced in the short term.
 - The risk and magnitude of any unforeseen expenditure is affected by our knowledge of the state of the building and its fixtures and fittings. In the short term the building is in reasonable order. A building maintenance plan and capital funding plan will be developed to help the Committee budget for medium and long term expenditure and to improve the sustainability and resilience of the Village Hall.
4. **Monitoring and Maintaining the Agreed Level**

The budget is built up from forecasted income, experience of ongoing expenses and known improvement projects. The budget provides a forecast of total free balances which can be compared with the minimum reserve level. This allows the Committee discretion as to when projects can be carried out.

Through fundraising events and the hire of the Hall we aim to generate an annual surplus which can be designated for project expenditure. As costs increase with inflation then hire charges can be increased to maintain the required operational surplus.
5. **Reviewing the Policy**

The Committee will review this policy annually prior to the AGM in November. The factors which will be assessed will be inflation, the increased risk of significant unexpected repairs to the building and forecast of future income.