



## 26. RESERVE ACCOUNT POLICY

This policy will provide assurance that the finances of the charity are actively managed and its activities are sustainable. In particular, this policy can help to:

- give confidence to funders by demonstrating good stewardship and financial management;
- demonstrate the charity's sustainability and capacity to manage unforeseen financial difficulties;
- give voluntary funders, such as grant-makers, an understanding of why funding is needed to undertake a particular project or activity;
- give assurance to lenders and creditors that the charity can meet its financial commitments;
- manage the risk to the charity's reputation from holding substantial unspent funds at the year-end without explanation.

In line with the Charity Commission guidelines, Forest Row Community Pre-School will hold a reserve bank account. (For further information visit the web site: <https://www.gov.uk/government/organisations/charity-commission/about/publication-scheme> (CC19))

This account will contain sufficient funds to:-

- 1) Cover staff redundancies.
- 2) Cover one term's running costs.

This policy should be reviewed annually to ensure that any shortfall or surplus is managed and to ensure that reasons for the reserves are still relevant.

<b>Date Updated</b>	<b>Reviewed</b>	<b>Next Review</b>
February 2016		February 2017
	July 2016	July 2017
November 2017		November 2018

Chair of the Committee's signature: .....

Supervisor's signature: .....

Deputy's signature: .....

Date: .....