

Reserves Policy

Purpose of the policy

The purpose of this policy is to ensure that the core activities of the Cottam Community Association, as set out in our constitution, can continue during a period of unforeseen difficulty.

Operation of policy

The General Committee of Trustees will annually review the financial reserves held by the Association and set the minimum and recommended levels, taking account of contractual and legal commitments and identifiable risks.

A proportion of the reserves will be held on deposit in a readily accessible form.

The review will be led by the Honorary Treasurer, in consultation with the Chair, within the two months following the adoption of the Association's accounts at its Annual General Meeting.

The review will consider:

- projected annual income from regular and ad hoc hirers, together with any other known sources of income such as grants or donations
- projected expenditure associated with ongoing contacts; including utilities, waste disposal, health and safety, insurance and licences
- the likely cost of routine maintenance
- planned replacements and maintenance projects
- any changes in the activities of the Association which are likely to have financial implications

The review will contain proposals for:

- the minimum and recommended levels of reserves that should be maintained by the Association
- the bank(s) or other institutions where the reserves will be held.

In formulating proposals, account will be taken of ongoing significant financial risks, which will include but not be limited to:

- loss of use of the building
- loss of business from regular hirers
- the potential cost of significant essential repairs or replacements, e.g. boiler, roof.

The proposals from the review will be presented to the next meeting of the General Committee of Trustees for consideration and will be adopted or amended as necessary.

This policy was approved at the meeting of the CCA General Committee of Trustees on 23rd June 2021. To be reviewed June 2023.