



Reserves Policy

In this policy the Management Team of Off the Fence Trust is setting out the reasons and amount of reserves that we intend to retain for the safe financial management of the Trust.

REASONS FOR RESERVES

- We need to comply with the Rules of the Charities Act.
- Our work with the clients is based on trust and therefore we must maintain our ability to fulfil our implied promises to them.
- As employers we have an obligation to maintain sufficient income to pay our staff.
- Our income is prone to fluctuations and is dependent on the generosity of the public and grant making bodies.
- As the Trust continues to develop we need to be able to fund growing/new areas of work.

LEVEL OF RESERVES

The Charity Commission recommend charities to have in reserve the equivalent of 3-6 months running costs. Off The Fence aims to have 3 months running costs. The trustees consider that reserves at this level in this time of recession will ensure that, in the case of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to the ways in which additional funding may be raised.

Maintaining reserves at required level:

- We intend to keep the reserves in a separate account (high interest where possible).
- The Finance Manager will inform the CEO if getting near the need to draw on these funds. The CEO will, if necessary, contact the Trustees.
- We will maintain a degree of fund raising to meet our financial requirements.
- Treasurer and CEO have instant access to the cash flow (in relation the proposed budget) which is updated weekly.

Reviewing policy:

- The level of reserves required will be reviewed annually by the trustees, and adjusted where required.

Signed by Chair of Trustees.....

Date.....