



The Nidderdale Plus Partnership Company No 5331403

RESERVES POLICY

1. Introduction

This policy arises from the application by the Nidderdale Plus Partnership (NPP) to become a charity and it is good practice to consider the level of reserves required by the organisation. A Reserves policy also explains to potential funders and donors and other stakeholders why the charity holds reserves.

2. Reasons for Reserves

Income to the NPP is derived from service agreements with public bodies such as Harrogate Borough Council, North Yorkshire County Council, North Yorkshire Police and DITA. Income is also received in respect of office services, room hire and for specific projects.

Other income sources vary from year to year depending on opportunities that may become available and are not guaranteed in the long term. The main items of expenditure are employee costs and building rent.

Reserves are required in order to allow time for the NPP to respond or make adjustments to spending to take account of any shortfall in income, loss of contracts or fluctuations in income. Adequate reserves are also required to ensure the charity can meet any redundancy payments and/or to wind up the business should this become necessary.

3. Level of Reserves

Reserves are part of the NPP's unrestricted funds. The required reserve is calculated as follows:

- £10,000 provision to cover cost of staff notice periods
- £5,000 provision to cover staff statutory redundancy cost
- £10,000 provision to cover three months overheads, including:
 - Rent
 - Premises expenses
 - Office equipment
 - Professional fees
 - Contingency

Total reserve required is £25,000. Current level of actual reserves is £ .

Any increase or reduction to below £15,000 must be agreed in advance and minuted at a Trustees meeting. Any spending from reserves must be agreed by the Chair and at least one other Trustee and reported at the next available Board meeting.

4. Monitoring and review of Reserves

The Reserves Policy will be reviewed annually by the Trustees when considering the draft accounts.

Signed.....Chair of Board of Directors

Date.....

Policy dated: 19 February 2015

Review date: