



# Wings to Fly Reserves Policy

## **1. Purpose**

The purpose of the reserves policy for Wings to Fly is to ensure the stability of the charity's operations. Maintaining appropriate levels of reserves is essential in protecting the charity from financial risk.

## **2. Definitions and Goals**

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the charity's primary objective is preserved. At the same time the Trustees wish to ensure that it uses its funding to benefit the pupils of St Mark's School and the Hadlow Down community. In deciding the level of reserves trustees will take into account the following:

- Uncertainty, turbulence or expected reduction in funding arrangements
- The need for any large project spend
- Regular outgoings e.g. banking charges and costs of obtaining grants

## **3. Restricted Reserves**

Restricted reserves are represented by funds that are received for a specific project or purpose. These funds are restricted for the use according to the funding agreements.

## **4. Unrestricted and Designated Reserves**

Unrestricted reserves are made up of the charity's activities for generating funds, and other donations which are expendable at the discretion of the Trustees in furtherance to achieve the objectives of the charity. Designated funds are created to set aside monies from these unrestricted funds to ensure the charity's ability to cover: balances between projected project costs and grant monies obtained; projects the charity has agreed to support but not obtained grant monies for; monies held to support grant stipulations for possible future repayment and estimated costs for obtaining grants. The Trustees have determined that the appropriate level of unrestricted reserves should be sufficient to cover 3 - 6 months of regular outgoings other than bid writing which is covered within the designated funds.

## **5. Allocating, Reporting and Monitoring**

The Trustees are responsible for allocating funds to the relevant reserves according to points 3 and 4 above. The Trustees are also responsible for ensuring that the level and use of reserves is monitored. They will do this on the receipt of financial reports prepared by the Finance Officer

## **6. Review of Policy**

The policy will be reviewed annually or sooner if warranted by internal or external events or changes. The Trustees must approve all changes