



Kings Hill & District u3a

RESERVES POLICY

Reserves are required to ensure continuity of Kings Hill and District u3a in the event of a sudden drop in income, to cope with unexpected and unplanned increases in expenditure, to replace assets, to cover future equipment demands and to deal with emergency situations.

Our reserves therefore provide a contingency for expenditure over and above day-to-day commitments and other planned outgoings. The Trustees have resolved that our reserves should not fall below a level which is consistent with the *Charities Commission Advice, Charities Statement of Recommended Practice (SORP) 2015*, and *The Third Age Trust* recommendations. This amount being equivalent to a year’s running costs, **plus any Restricted or Designated Funds**. Monies relating to Social Events will inflate this level from time to time and will be included in **Restricted Funds** when reported on.

The Trustees will do their best to ensure that reserves are maintained at the set level. However, because the majority of subscriptions are paid by Standing Order/Direct Debit, the level of reserves may be higher than the set minimum at certain times of the year. In such a case the Trustees will undertake to review any increase to the subscription rates until the reserves are approaching the minimum level.

The Trustees are informed by reporting of management accounts, reporting recent performance and forecasting future levels of income and expenditure, and annual *Examined Accounts*. They make judgements as to the reliability and extent of each source of income and prospects for new sources, as well as considering the extent of future activities in deciding the level of reserves they believe the u3a needs to hold.

The appropriate level of reserves will be reviewed, based on current income and expenditure trends and reports, and set by the Kings Hill and District u3a’s Trustees, annually, in time for the AGM. If any situation arises that could affect the reserves level, an interim meeting could be held to determine if any change to this amount is necessary.

Reserves may only be spent in furtherance of Kings Hill and District u3a objectives in accordance with the Constitution.

Chair signature..... (M. Blewer)

Secretary signature (M. Holmes)

Treasurer signature (D. Murray)

Reserves Policy adopted by Kings Hill and District u3a Committee:-

Date.....8/12/20..... Policy Review DateDecember 2023.....

Policy available for viewing by members on KHADu3a website at www.kingshillu3a.org.uk