

Financial Reserves Policy

7/8/25

1. Introduction

This policy sets out the Financial Reserves Policy of the Bricklehampton, Elmley Castle and Netherton Village Community Hall charity ("the Village Hall") and the process to be followed in the event of funds falling to the minimum set by the policy.

2. Principles

The Village Hall needs to be maintained as a going concern, operating on behalf of the communities it serves. As such, steady and reliable financial management of the Village Hall is essential to ensuring the sustainability of its services to those communities. Such management should include an agreed set of actions that should be taken as and when cash reserves fall to that minimum, in an effort to avoid the charity becoming cash flow insolvent.

3. The minimum financial reserve

The reserve is £8,000, being in excess of six months' operating costs, based on the last two years and allowing for inflation. This includes £1,000 of 'Uncategorised Costs'.

4. Action on reserves falling to £8,000

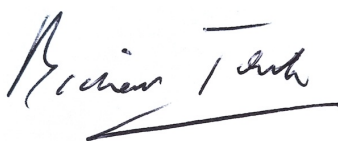
Should reserves fall below the minimum level the trustees will immediately:

- Assess whether this represents a short-term cashflow issue or longer-term structural problem
- Implement an emergency expenditure hierarchy, prioritising essential operational costs
- Activate income generation measures and review all cost commitments
- Develop and implement an action plan with timeframes for rebuilding reserves
- Review the policy itself to ensure it remains appropriate for changed circumstances

Policy review

This policy will be reviewed annually.

Signature, Michael Taite, Chair:



Date: 7/8/25

Signature, Jeanette Smith, Secretary:

Date: