



South Essex Community Hub -Reserves Policy

Introduction

The trustees of the South Essex Community Hub (SECH) have resolved to set a reserves policy for the organisation to cover the following possible eventualities.

1. To allow the trustees to ensure that the charity holds enough funding in their financial reserves to cover any periods between receipt of grant or other funding sources when new funding may not be available
2. To allow the trustees to ensure that should any unexpected financial needs arise there are sufficient funds available to meet any possible additional costs
3. To ensure that should the charity cease to function that there are sufficient financial resources available to meet the core running costs of the charity whilst its affairs are settled – initially this period would be set at 12 weeks
4. To allow for any future commitments that may be identified that have not been previously formed part of the trustees' budget planning and risk assessment processes.

General Policy

The trustees have resolved that as part of their general contingency planning earmarked financial reserves equal to the cost of 12 weeks of the organisation's core operating costs should be held as a general financial reserve.

That an annual review of this policy should be carried out to ensure that the policy continues to take account of the changing financial risks and responsibilities facing the organisation

That as part of the overall strategic planning process for the organisation a review of the financial risks of any new project or activity should be included and the reserves policy updated to reflect any changes in perceived risk

That the possible impact of any changes to the organisation's operation or activities should be discussed at meetings of the trustees and that the financial implications are clearly set out to allow any adjustments to the reserves policy to be made at the earliest possible opportunity

That regular financial reports regarding the organisation's current financial position are presented at every meeting of the board of trustees and that any possible impact on the current reserves policy is discussed.

That a nominated member of the board of trustees has regular meetings with the Project Coordinator and the Treasurer to ensure that a clear picture of the organisations financial position can be available at all times and reported back to the board of trustees.

That the organisation continues to have insurance cover in place to ensure that areas of risk such as Fidelity Guarantee, Dishonesty of Officers, Business Continuity Insurance and Employer and Public Liability are provided to ensure that known general financial risks to the organisation are covered.

This policy was adopted by the Trustees on 1st October 2017