



## 11. Reserves policy

This policy was adopted by *Westbrook Little People* on *September 2021*.

### Aim

Westbrook Little People Management Committee, as trustees of the charity as committed to fulfil their responsibilities to the Charities Commission, and as employer's childcare provider services. We aim to ensure our responsibilities to our staff and families are fulfilled and as such identify the need to hold reserves in case of emergencies and to fulfil our legal responsibilities as employers and to ensure the charity is effective.

### Procedures

- We have identified using advice and guidance from Services for Young Children (SfYC), that 3 months contingency should be efficient for emergencies.
- Contingency will include 3 months of all running cost, plus staff redundancy.
- Redundancy packages in line with minimum requirements will be calculated using advice from ACAS, LAWCALL and government websites, once calculated these amounts where possible will be held in a reserve account with the contingency.
- Where there is a shortfall, the committee will endeavour to build such reserves, but only after their charitable responsibilities have been met, so as not to fail to meet the aims of the charity.
- All reserves shall be reviewed, either yearly or when major changes happen which could impact on the reserves amount to ensure it continues to meet the changing needs and circumstances e.g. employing temporary staff to cover long term absence of rent increases.
- Any large projects where fundraising will need to be prolonged and money saved over a period of time will be identified and held in the reserves account.
- Short term deficits in the cash flow budget, for example money required before funding is received.
- The reserves policy will be set out in the trustees annual report.