

# **RESERVES POLICY**

**WIZEUP FINANCIAL EDUCATION**

## 1. Safeguarding Policy

### 1.1 Introduction & Definitions

It is good practice to keep money aside as a reserve to protect the charity against drops in income or allow it to take advantage of new opportunities. The charity's reserves can be spent on any of its aims.

**Reserves** are that part of our unrestricted funds that is freely available to spend on any of our purposes. The items excluded from reserves are:

- tangible fixed assets used to carry out the charity's activities, such as land and buildings.
- programme-related investments those held solely to further the charity's purposes.
- designated funds set aside to meet essential future spending, such as funding a project that could not be met from future income.
- commitments that have not been provided for as a liability in the accounts.

**Restricted Funds.** Fall outside the definition of reserves, but the nature and amount of such funds may impact on a charity's reserves policy. Where significant amounts are held as restricted funds the nature of the restriction should be considered, as such funds may reduce the need for reserves in particular areas of the charity's work.

Primary person who is responsible for implementation and maintenance of this policy.	Alan Walters & Michael Flack
Review Date	November 2024
Adopted	November 2024
Next review	July 2025

## 2. Level of Reserves

Our target level of reserves may be expressed as a target figure or a target range and will be informed by:

- Our forecasts for levels of income for the current and future years, taking into account the reliability of each source of income and the prospects for developing new income sources
- Our forecasts for expenditure for the current and future years on the basis of planned activity
- Analysis of any future needs, opportunities, commitments or risks, where future income alone is likely to fall short of the amount of the anticipated costs
- Assessment, on the best evidence reasonably available, of the likelihood of a shortfall arising which means that reserves are necessary, and the potential consequences for the charity of not being able to make up the shortfall.

**3. Monitoring of Reserves**

We will keep our reserves policy and the level of reserves held under review, monitor the level of reserves held throughout the year to establish the reason for any significant difference with the target level set. If reserves during the year are below target or exceed target, we will consider whether this is due to a short-term situation or a longer-term issue, and take any appropriate action.

**4. Annual Reporting**

We will include in our annual report our policy on reserves, stating the level of reserves held and why these are held. If material funds have been designated, the reserves policy statement will quantify and explain the purposes of these designations and, where set aside for future expenditure, the likely timing of the expenditure.

**5. Investing Reserves**

When significant resources are held in reserves from year to year, the trustees should consider whether some or all of the reserves can be invested to obtain a financial return for the charity. In making the investment decision, the trustees should consider when the reserves might be needed (liquidity of the investment) and the acceptable level of investment risk.

**6. Declaration**

On behalf of Wizeup Financial Education I, the undersigned, will oversee the implementation of the Reserves Policy and take all necessary steps to ensure it is adhered to.

One of the signatories should be the Chair Trustee.

<b>Name:</b> Alan Walters	<b>Name:</b> Michael Flack
<b>Signed:</b> 	<b>Signed:</b> 
<b>Position within WizeUp Financial Education</b>	<b>Position within Wizeup Financial Education:</b>
Chair Trustee	CEO
<b>Date:</b> 25/11/2024	<b>Date:</b> 25/11/2024