



RESERVES POLICY

What are reserves?

At the simplest level, our reserves are unrestricted money we hold that is not already designated for a specific purpose.

Some of our income (for example grants given to Maindee Festival Association for specific purposes), is called “restricted” income. This means that the way we spend that income is restricted to the purpose for which it was given to us.

Other income we receive is “unrestricted” and can be spent on whatever Trustees decide, as long as this meets one or more of our charitable objects as described in our constitution.

Our reserves are the amount of money we are holding at any time that is not restricted or has not been “designated” for a future purpose (i.e. saving to buy a big item)

Why do we need a policy on this?

- To guide Trustees on the appropriate level of reserves to be held.
- To assure the public, members and funders that we are not holding onto excessive funds that should instead be being spent on our charitable objects.
- To comply with requirements of external or regulatory bodies that may require us to have such a policy in place.

Current policy

Maindee Festival Association will, where financially possible, maintain reserves at an appropriate level to protect Maindee Festival Association from cash-flow problems or to provide some protection of planned expenditure if income targets are not met.

Maindee Festival Association will annually set the target for maximum and minimum levels for reserves at our Annual General Meeting. The Treasurer will be responsible for proposing levels, based on the income and expenditure levels of Maindee Festival Association at that time and other relevant factors. The current target reserve levels are £1500 (min) and £5000 (max).

Any designated funds will only be used for legitimate purposes and not to artificially reduce reserve levels. Maindee Festival Association does not currently hold any designated funds.

During certain periods (ie first quarter) when our monthly income increases in advance of major expenditure (ie Maindee Festival) Maindee Festival Association will allow the target maximum

reserve level to be breached for a period of not more than 3 months without the need for further action.

FIRST ISSUE DATE: February 2012

POLICY LAST REVIEWED: March 2024