RESERVES POLICY (TEMPLATE)

Last Updated – (Insert Date)

**INTRODUCTION**

This document is designed to provide guidance as to what a Reserves Policy is and how said reserves are calculated for a given financial year.

A Reserves Policy is a document that details:

1. The types of income generated by the Club and the risks to said income;
2. The types of expenditure incurred by the Club and the risks associated with said expenditure;
3. The amount of monies needed to cater for the identified risks;
4. What the actual reserves amount is and how any shortfall will be raised;
5. The level of monitoring required to ensure that the Reserves Policy requirements are met.

A Reserves Policy is required by the Club to ensure that:

1. The Committee manage the Club responsibly and in the best interests of the Club and its members;
2. The Club is in a sound financial position and able to manage any risks.

**VERSION CONTROL**

Version 1 Adopted on: (DATE)

**DEFINITIONS**

In this document:

“Club” means (YOUR CLUB);

“Committee” means the management committee of the Club;

“Policy” means this document;

“Annual Accounts” means the financial reporting documents produced by the Committee representing a true and accurate summary of the Club’s finances for a given year;

“AGM” means the Annual General Meeting of the Club;

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# RISKS TO INCOME

The Committee has identified the following income types and detailed the likely risks to said income:

|  |  |  |
| --- | --- | --- |
| ***Income Type*** | ***Identified Risk*** | ***Amount required (£)*** |
|  |  |  |
|  |  |  |

# RISKS OF ADDITIONAL EXPENDITURE

The Committee has identified the following risks to additional expenditure for the Federation:

|  |  |  |
| --- | --- | --- |
| ***Expenditure Type*** | ***Identified Risk of Increase*** | ***Amount required***  ***(£)*** |
|  |  |  |

|  |  |  |
| --- | --- | --- |
|  |  |  |
|  |  |  |

# SUMMARY OF REQUIRED RESERVES

The amounts identified in sections 1 and 2 are summarised as follows:

|  |  |  |
| --- | --- | --- |
| ***Income/ Expenditure*** | ***Type*** | ***Amount required (£)*** |
| Income |  |  |
|  |  |  |
| Expenditure |  |  |
|  |  |  |
|  |  |  |
|  | **TOTAL RESERVES REQUIRED** |  |

# CURRENT RESERVES POSITION

The Club currently has £2,000 in its Reserves Account and will therefore need to raise an additional £5,700 during the financial year to reach the identified amount of required reserves.

The Committee has identified the following sources of additional income to meet the required target:

|  |  |
| --- | --- |
| ***Additional Income Type*** | ***Target*** |
|  |  |
|  |  |
|  |  |
| **TOTAL TARGET** |  |

# FUTURE PROJECTS

*A club may also need to hold reserves to meet the cost of a future project, e.g. the building of a new clubhouse or the upkeep/replacement of a pitch.*

*This type of need should be specifically detailed in the reserves policy and any ongoing requirement to raise additional funds documented.*

# MONITORING AND REPORTING

*The Committee will ensure that this Policy is reviewed/amended at least annually and that any changes/updates are duly recorded in the Committee meeting minutes and in the Version Control section of this document.*

*The actual/required levels of reserves will be reported at each Committee meeting and duly recorded in the meeting minutes.*

*The Committee will report on the status of the Reserves Policy at the AGM and will ensure it is correctly recorded in the Annual Accounts, once verified by the Independent Examiner.*

# RESERVES TOO HIGH?

*The Committee will need to be mindful that the level of reserves will need to be justified to members, particularly if the current reserves are higher than the identified risks to income and expenditure and any amounts that have been identified for future projects.*

*Any identified excess should be documented as such and the Committee should look to see how said funds can be spent in pursuit of the Club’s identified objectives.*

*Alternatively, the Committee should document why they believe that the excess is required within the reserves, e.g. a contingency fund, and amend their reserves policy accordingly.*

*It is important to note that an unjustified high level of reserves may have an impact on the Club’s ability to gain future funding.*