

# Quaker in Yorkshire Trustees

## Reserves policy

### Introduction

*In any calendar year Quakers in Yorkshire (QiY) can expect to receive income from Area Meetings and from individual schedule giving and earned income from activities. Regular activities include the holding of QiY quarterly meetings; activities for Under 19s groups; outreach activities; Easter Settlement. Since expenditure for these activities may need to be paid out well before the income for them is received, Trustees need to have a reasonable idea of cash flow over the year and the reserves needed to cover anticipated commitments and leave a prudent balance.*

*The Treasurer is responsible for implementing the agreed policy on a day to day basis and for apprising trustees in good time of any likely risks to it so that trustees can exercise their responsibility of due diligence.*

### Reserves Policy

1. This reserves policy shall be applied to all funds for which Quakers in Yorkshire Trustees are responsible, whether managed by the Treasurer of Quakers in Yorkshire Trustees, or delegated to another committee or person. The level of reserves shall be set according to this policy for all funds that are not:
  - a. Capital. Funds, or
  - b. Income from Capital Funds that is restricted, or
  - c. Designated funds where there is minuted policy to control the rate at which the fund is spent.
2. The **reserve level** of a fund is the balance of assets at the end of a financial year less any liabilities or commitments to liabilities.
3. This policy considers the **expected annual expenditure** of a fund. Unless otherwise minuted or noted in the accounts, this is the average expenditure of the fund over the preceding three years.
4. The **minimum level of reserves** for a fund shall be the greater of:
  - a.  $\frac{1}{4}$  the expected annual expenditure
  - b. The costs associated with terminating any contracts associated with the fund (for example notice periods, cancellations charges, redundancy payments).
  - c. £100
5. The **maximum level of reserves** for a fund shall be the greater of:
  - a. The annual expected expenditure
  - b. Twice the minimum reserve level
6. Trustees shall aim to manage all applicable funds so that the reserve level lies between the minimum and maximum level of reserves.
7. Where the reserve level lies outside these limits, trustees shall formulate a plan to return the reserves to a level between the minimum and maximum levels. Any such plans and progress made to deliver them shall be reported in the Annual Report and Accounts.