



NORTHAMPTON TOWN F.C.

COMMUNITY

Reserves Policy

1. Reserve Policy Statement

The board of trustees recognise the need to hold sufficient finances in reserve to provide the charity with adequate financial stability and the means for it meet its charitable objectives for the foreseeable future. The trustees propose to maintain the charities reserves at a level which is at least equivalent to three months operational expenditure and have done so having regards to its manner of operation of likely funding streams

The trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the charities continuing obligations on a quarterly basis at their finance sub-committee meetings. The reserves should be built up from the unrestricted (earned) income. This policy should be reviewed yearly and whenever there are significant changes to staff hours or numbers.

2. Definition of Reserves

Reserves are part of the charities funds that are freely available to fund its general operations and so is not subject to commitments, planned expenditure or other restrictions. Consequently, reserves do not include endowment funds restricted funds and designated funds

3. Why do we need a reserves policy

We require a reserve policy to:

- a) To ensure the charity is financially stable
- b) To ensure the charity is properly managing its resources
- c) To ensure the charity matches its reserves to its requirements and no more, otherwise the charity would hold reserves that are too high or low for its needs

4. How do NTFC Community Trust set the reserves Level

To ensure that the correct level of reserves are achieved and maintained the board of trustees will use the following to agree the level of reserve:

- a) Cash flow and forecasts
- b) A review of existing funds and reserves
- c) A review of future income streams
- d) A review of likely future income streams
- e) A review of past operational and other trends
- f) The likely effects of changes on the public and beneficiaries

- g) A review of major risks facing the charity
- h) An analysis of the future needs, contingencies and the risks the potential consequences for the charity not being able to meet them

Reviewed & Updated: August 2018

NTFC Community Trust will review this **Reserves Policy** at least annually. In addition, more frequent reviews will be undertaken following any changes to legislation.