

Wellingborough and District U3A

Reserves Policy

Our reserves policy is based on the purpose of our charity and set at a level to withstand unforeseen pressures on future income and to sustain development in changing circumstances.

The charity does not have a diverse income stream so has to be prepared for a decrease in income. We have to balance the needs of current and future members.

Therefore, the Trustees regularly review and monitor this policy. This will be at least twice a year.

The ratio of the expenditure of unrestricted funds to income is high and therefore the reserves level is set to reflect this. The current level required is a minimum of 6 months' annual operating expenditure.

The reserves are meant to cover a range of items including but not limited to:

- Costs to allow a managed closure of the U3A
- Costs of any outstanding commitments
- Capital commitments
- Development plans
- Covering a drop in income
- Covering unforeseen operational costs

If at any time reserves are felt to be greater than required, the excess amount will be used to benefit all members.