**Reserves Policy**

**Statement of Intent**

Impstone Pre-school aims to hold sufficient financial reserves to sustain the pre-school if our income falls below expected levels. Our intention would be to continue functioning as a pre-school if at all possible and to cover the payment of staff redundancies in the unlikely event that the pre-school had to close.

**Aims**

* To Manage our finances responsibly;
* Budget for predictable fluctuations in income;
* Hold a reserve to cover a minimum of 6 weeks (half a term) financial obligations (to include wages/redundancy obligations; pay in lieu of notice and facilities rental costs);

**Methods**

The pre-school operates one bank account with budget allocations made in line with the directives of the committee through the Accountant and overseen by the Treasurer and Chairperson.

All finances are reviewed at regular Committee Meetings and the AGM/EGM.

(At minimum) the school will hold sufficient reserves to cover:

* All redundancy obligations as required by Law & under contract.
	+ The period of notice stated in the Contract of Employment is ‘half a term’. This will be based on the individuals CONTRACTED hours of employment.
	+ (The committee at AGM set the reserve as 6 weeks’ costs)
* Obligatory costs (such as hall hire), to cover a period of no less than 6 weeks.

The amount held in reserve is regularly monitored by the accountant and treasurer and is reviewed at Committee level.

A minimum of 6 weeks’ reserves should be held. In the event that reserves fall below this level, the pre-school will aim to restore the reserves as soon as possible by increasing fundraising, increasing earning income or reducing expenditure. Reserves should not be allowed to fall to below 4 weeks’ expenditure. In this event, an Emergency Meeting will be called.

If the reserves rise significantly above the target level, the committee will agree with the Management team and plan to eliminate the excess within four years through the enhancement of the pre-school provision or otherwise further the aims of the pre-school. Fundraising will be reduced accordingly. The Committee will not, however, take any steps that might call into question the ability of the pre-school to continue as a financially viable operation in the long term.

*This policy was adopted at a meeting of*

*Held on:*

*Date to be reviewed:*

*Signed on behalf of the provider:*

*Name of signatory:*

*Role of Signatory (e.g. chair/director, owner)*