

Kingswood Sports CIO Financial Reserves Policy and Procedures

Policy Number: KS-FR-01

Effective Date: September 2024

Review Date: September 2025

Approved by: Board of Trustees

Version: 1.0

1. Purpose

This policy outlines the principles and procedures for maintaining and managing financial reserves at Kingswood Sports CIO. It ensures the Charity's long-term financial stability and its ability to respond to unexpected challenges and opportunities.

2. Scope

This policy applies to all financial reserves held by Kingswood Sports CIO.

3. Definitions

Financial Reserves: Funds that are set aside to ensure the financial stability and sustainability of the Charity. These funds are freely available and not designated for any specific purpose.

Restricted Funds: Funds received for a specific purpose can only be used per the donor's terms.

Unrestricted Funds: Funds that can be used at the discretion of the Charity for its general purposes.

4. Policy Statement

- Kingswood Sports CIO is committed to maintaining adequate financial reserves to ensure its financial health and sustainability.
- Reserves will be maintained at a level that ensures the Charity can continue to meet its commitments and pursue its objectives.

5. Determining the Level of Reserves

1. Assessment:

- The Board of Trustees will assess the appropriate level of reserves annually, considering the Charity's financial risks, plans, and operational needs.
- Factors to consider include income volatility, expenditure commitments, future funding needs, and potential unforeseen costs.

2. Target Level:

- The target level of reserves will be set at a minimum of three to six months of operating expenditure.
- The specific amount will be reviewed and adjusted based on the annual assessment.

6. Maintaining and Monitoring Reserves

1. Reserve Allocation:

- Reserves will be allocated to ensure liquidity and flexibility.
- Funds will be held in readily accessible accounts to ensure they can be used when needed.

2. Monitoring:

- The Finance Committee will monitor the level of reserves regularly.
- Financial reports will include information on the current level of reserves and comparisons to the target level.

7. Use of Reserves

1. Authorisation:

- The Board of Trustees must authorise the use of reserves.
- Proposals to use reserves should outline the purpose, amount, and impact on the Charity's financial position.

2. Emergency Use:

- Reserves may be used in emergencies or unexpected situations threatening the Charity's operations or financial stability.
- Any emergency use of reserves will be reported to the Board of Trustees promptly.

3. Replenishment:

- Plans to replenish reserves will be developed and implemented as soon as feasible.

8. Procedures

1. Annual Review:

- The Board of Trustees will review the reserves policy and target level annually as part of the budgeting process.
- Adjustments will be made based on the Charity's financial situation and strategic plans.

2. Reporting:

- The Finance Committee will regularly report on the level and use of reserves to the Board of Trustees.
- Annual financial statements will include a reserves statement explaining the level of reserves and any changes.

9. Responsibilities

Board of Trustees:

- Approve the reserves policy and target level.
- Authorise the use of reserves.

Finance Committee:

- Monitor the level of reserves.
- Report to the Board of Trustees on reserves.

Finance Officer:

- Implement and manage the reserves policy.
- Ensure accurate reporting of reserves.

10. Monitoring and Review

- The Board of Trustees will review this policy annually to ensure its effectiveness.
- The review process will consider feedback from the Finance Committee and external auditors.
- Adjustments to the policy will be made as necessary to ensure the financial health of the Charity.

11. Contact Information

For any queries regarding this policy, please contact:

Finance Officer:

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Chair of the Board of Trustees:

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Approved by:

Sarah Weichardt

Chair of the Board of Trustees

Kingswood Sports CIO

This policy ensures that Kingswood Sports CIO maintains appropriate financial reserves to support its mission, manage risks, and effectively respond to opportunities and challenges.