

Minehead and Coast Development Trust



Reserves Policy

The trustees of the Minehead and Coast Development Trust (MCDT) consider that a certain level of reserve is required in order to run the company in an orderly and careful manner.

The Trustees consider that an appropriate level of free reserves is approximately three to six months' normal expenditure.

Reserves are held by MCDT as operational/unrestricted funds. These funds may be used for any purpose within the objects of MCDT and represent reserves which the trustees have designated for future use as follows:

1. The smooth operation of the company is dependent upon its staff and any form of long-term illness would involve the company in additional costs for temporary staff. Funds can be set aside to enable MCDT to employ temporary staff for approximately three months, should the need arise.
2. The core funding of MCDT is agreed on a year-by-year basis. Should the core funders not provide the funds requested then the future of the Trust would be in doubt. The company would need to conclude its activities in an orderly manner and eventually make its staff redundant. Funds can be set aside in case this unfortunate circumstance should arise.
3. The provision and replacement of equipment to enable the company to undertake its business in a professional manner has been made.

The Trustees will review this Policy on an annual basis or when it is required by changes in law.

The review will be informed by MCDT's current and future strategy, financial plans including funding breakdown, as well as the economic environment in which the charity currently and is likely to be operating.

The Trustees' policy review may necessitate adjustments to operating budgets, to accommodate the value of a reserve fund based on the review, and will only utilise those funds available for use as reserves.

Policy Adopted: By Board Resolution (state minute and meeting)

Dated:

Signed:

Planned review date.
(Agenda item next Gen. meeting):"

Version Control – Approval and Review

Version No	Approved By	Approval Date	Main Changes	Review Period
1.0	Board	07/07/2023	Initial draft approved	Annually
2.0	Board	09/04/2024	Adjusted reserves to account for newly recruited member of staff	Annually