

Reserves Policy

Statement of Intent

Impstone & Cherry Trees Preschool aims to hold sufficient financial reserves to sustain the preschool if our income falls below expected levels. Our intention would be to continue functioning as a preschool if possible and to cover the payment of staff redundancies in the unlikely event that the preschool had to close.

Aims

- To Manage our finances responsibly
- Budget for predictable fluctuations in income
- Hold a reserve to cover a minimum of 12 weeks (a term) financial obligations (to include wages/redundancy obligations; pay in lieu of notice and facilities rental costs)

Methods

The preschool 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 and/or finance meetings and the AGM/EGM.

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

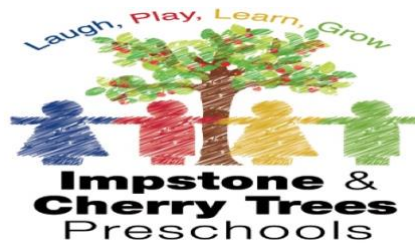
- All redundancy obligations as required by Law & under contract
 - The period of notice stated in the Contract of Employment is dependent on each staff member's individual contract as set out in the table below:

<u>Job Role</u>	<u>From the Employee</u>	<u>From the Employer</u>
Trainee/Junior Practitioner	4 weeks	4 weeks
Senior Practitioner	6 weeks	4 weeks
Deputy Manager	8 weeks	4 weeks
Manager	12 weeks	6 weeks

- Obligatory costs (such as hall hire), to cover a period of no less than 12 weeks.

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

A minimum of 12 weeks' reserves should be held. In the event that reserves fall below this level, the preschool 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 6 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 preschool provision or otherwise further the aims of the preschool. Fundraising will be reduced accordingly. The Committee will not, however, take any steps that might call into question the ability of the preschool to continue as a financially viable operation in the long term.