

PLYMOUTH ARGYLE FOOTBALL IN THE COMMUNITY TRUST

Policy Documents

Reserves Policy

May 2016

**Plymouth Argyle Football in the Community Trust
Reserves Policy/ Statement**

It is the policy of the Trust to increase unrestricted funds to a level to provide sufficient funds to cover administration costs, including wages for 6 months.

The Trustees monitor reserves at each Trust Board meeting and have the intention of creating a capital reserve fund for future use and facilities.

The Trustees' monitoring of reserves will happen at each Trustees Meeting. The Trustees acknowledge that how the level of reserves changes during the year can be a good indicator of the underlying financial health of the charity and can be an indicator of potential problems. The level of reserves will be monitored throughout the year as part of the normal monitoring and budgetary reporting processes.

In particular, trustees will:

- identify when reserves are drawn on so that they understand the reasons and can consider the corrective action, if any, that needs to be taken;
- identify when reserve levels rise significantly above target so that they understand the reasons and can consider the corrective action, if any, that needs to be taken;
- identify where the reserves level is below target, consider whether this is due to short-term circumstance or longer term reasons which might trigger a broader review of finances and reserves;
- regard the ongoing review of the reserves level, target and policy as part of managing the charity;
- ensure that the reserves policy continues to be relevant as the charity develops or changes its strategy and activities;
- review the statement on reserves in the trustees' annual report where there have been significant changes in the reserves policy or level of reserves held.

Signed Chair of Trustees

Dated 20.5.16