

## Scunthorpe and District Choral Society

### Reserves Policy

#### **Requirement for a Reserves Policy**

Adherence to a Reserves Policy ensures that the Society possesses a level of financial reserves to match its perceived current and future needs.

Implications of holding reserves which are too high or too low:

- a. If the reserves are too high the Society is retaining funds without justification and the funds should be spent or planned income reduced. If excess funds remain in the Society's hands the current users and beneficiaries (actual or potential) are not being well-served.
- b. Reserves must be kept high enough to cover reasonably envisaged forthcoming financial commitments and to protect the Society from the risk of insolvency or serious disruption to its work.

#### **Calculating the amount to keep in reserve**

In assessing the amount of reserve, the Committee will take the following into account:-

- Its forecasts for levels of income in future years, taking into account the reliability of each source of income and the prospects for opening up new sources
- Its forecasts for expenditure in future years on the basis of planned activity
- Its analysis of any future needs, opportunities, contingencies or risk – the effects of which are not likely to be able to be met out of income if and when they arise; and
- Its assessment, on the best evidence reasonably available, of the likelihood of each of those needs etc arising and the potential consequences for the Society of not being able to meet them.

The committee will review the levels of funds to be held in reserve and this policy every two years.

Adopted by the Committee on 7<sup>th</sup> December 2017

Reviewed and approved by the Committee 8 December 2025

Signed ..... A Godfrey A Godfrey (Chair) Date: 8 December 2025