Colne Village Hall Reserves Policy

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1. Purpose

- This policy outlines how **Colne Village Hall** will manage and utilise its reserves funds to ensure financial stability and sustainability.
- The goal is to maintain adequate reserves to cover unforeseen circumstances, planned projects, and operational needs.

2. Target Reserve Level

- We aim to maintain a reserves level equivalent to **SIX** months of our annual operating expenses.
- This level is reviewed annually and adjusted as needed based on our financial performance and risk assessment.

3. Reserve Fund Usage

- Reserve funds may be used for:
  - Unforeseen expenses or emergencies (e.g., major equipment failure, unexpected legal costs)
  - Funding planned projects or initiatives that are not covered by regular income
  - Supporting operational needs during periods of reduced income
- Reserves funds are not intended for:
  - Routine operational expenses that are covered by regular income

4. Reserve Fund Management

- Reserves funds will be held in a designated bank account
- **Agreed sum for May 2026 – April 2027 £7,350, accruing interest.**
- A formal review of this policy will take place annually.

6. Review and Updates

- This policy will be reviewed and updated annually, or more frequently as needed, to ensure it remains relevant and effective.
- Any proposed changes to the policy will be discussed and approved by Trustees.

Date Approved	**20th April 2026**	**Date to Review April 2027**
Signed	SJ Harrison	**Chair**