

11.2 Policy for reserves

Policy statement

As a registered charity, Little Acorns is a non-profit making organisation and is legally bound not to maintain large reserves. For the effective running of Little Acorns it is important to have sufficient money in the bank to cover expenses when they become due, under any circumstances.

The Pre-School runs on a tight budget with all income allocated each year for staff salaries, maintenance, training, educational facilities and supplies and general day-to-day running costs.

Little Acorns, in line with the Early Years Alliance guidance, is establishing a reserve fund of three months expenditure which is recommended as a suitable level of reserve for a setting. This reserve is to ensure the sustainability and longevity of Little Acorns pre-school.

Little Acorns is working hard towards establishing a minimum reserve fund which is held strictly for the following purposes:

- regulating any fluctuations in the amounts of income received through fundraising to cover projected expenditure;
- meeting unbudgeted expenses to maintain Health and Safety regulations;
- staff redundancies;
- urgent building and maintenance costs.

The level of reserves will be monitored by the Little Acorns Treasurer and reviewed by the committee on an annual basis in July alongside the end of the financial year to ensure the reserves policy remains up to date with the settings needs.

This policy was adopted/reviewed at a meeting of	Little Acorns	(name of provider)
Held on	<hr/> 24 th February 2021	(date)
Date to be reviewed	<hr/> January 2022	(date)
Signed on behalf of the management committee		
Name of signatory	<hr/> Samantha Davies	
Role of signatory (e.g. chair/owner)	<hr/> Secretary	