



Minimum Reserves Policy

Policy Number 10

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Review Date: As Required

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1	25/04/19	Adopted
2	08/06/21	Checked for Accessibility Issues Reformatted styles where applicable No changes to the wording of this document have been made

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1.0 Introduction

- 1.1. The Parish Council maintains reserves to enable it to meet its day-to-day obligations and to put money aside to fund larger projects in the future.
- 1.2. Because all reserves are raised through the precept process, it is important that only sufficient funds are kept in reserve to meet prudent financial management.
- 1.3. This Minimum Reserves Policy has been drawn up as a reference and guidance document for financial planning and reporting.

2.0 Reserves

- 2.1 The Parish Council's reserves divide into two areas: General and Earmarked (Project) Reserves.

2.2 General Reserves

- 2.2.1 These reserves are held to enable the Parish Council to continue to operate if there was either a significant drop in funding or an unexpected demand on its projected cash flow.
- 2.2.2 The majority of this funding is generated from the annual precept and this arrives every six months from Mid Sussex District Council as the precept collection authority.
- 2.2.3 This Policy sets out the level of this General Reserve.
- 2.2.4 For the present time this General Reserve shall, as a minimum be kept as three months operating costs as predicted by the annual budget.

2.3 Earmarked (Project) Reserves

- 2.3.1 These reserves are held to enable the Parish Council to build up sufficient funds to meet its capital expenditure programme.
- 2.3.2 The spend profile for these reserves is set out in the Parish Council's five-year Business Plan.

3.0 Review

This Policy will be reviewed annually, as part of the business planning process to ensure it fully covers the Parish Council's requirements.