

# CUCKFIELD PARISH COUNCIL



## MINIMUM RESERVES POLICY

Policy Number 10		
Issue No.	Date completed	Details of amendments
1		

## **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.