



## **INCOME AND RESERVES POLICY**

### **Background**

Hartpury Village Hall is held on trust for the use of the inhabitants of Hartpury and the neighbourhood without distinction of sex or of political, religious or other opinions and in particular for the use for meetings lectures and classes and for other forms of recreation and leisure time occupation with the object of improving the conditions of life for the said inhabitants.

After meeting the proper costs of administering the charity and of managing its property (including the repair and insurance of its buildings), the management committee must apply the remaining income in furthering the objects of the charity.

Managing Hartpury Village Hall requires the facilities to be serviced on a short term basis and maintained for the long term.

The purpose of this policy is to ensure that Hartpury Village Hall holds sufficient funds ('Reserves') to meet all reasonable short-term contingencies and for the property to be maintained for the long term. Reserves are that part of a charity's unrestricted funds that is freely available to spend on any of the charity's purposes.

### **Principles**

The Hartpury Village Hall management committee considers that:

- Reserve levels need to be managed in response to identified needs and circumstances.
- Reserves should not be held without a positive justification.
- The needs of present and future beneficiaries should be balanced.
- The size of the Reserves should be appropriate for the purposes for which the Reserves are maintained, including risk management.
- Unrestricted Reserves are income or income funds which can be spent at the discretion of the management committee in furtherance of the charity's objects.
- Part of the unrestricted Reserves may be designated for a particular purpose, but the designation has an administrative purpose only, and does not legally restrict the management committee's discretion to spend the Reserves.
- Once funds are designated for known essential projects and for which there is a date by which they are likely to be spent, they may be excluded from unrestricted Reserves.

### **Income policy**

The Hartpury Village Hall management committee considers that hire fees charged to hirers of Hartpury Village Hall should be set at a level that is generally sufficient to at least meet regular, short term outgoings and expenses. If outgoings exceed hire fees for any sustained period, the management committee will take steps to seek to increase income from hirers or reduce expenses.

### **Reserves Policy**

Hartpury Village Hall aims to hold reserves as follows:

- £10,000 as a basic contingency reserve, representing one year's operating costs to enable normal operations to be covered, assuming no income is generated during this time, and variable costs are reduced to an amount consistent with the hall not operating.
- £20,000 as a provision for the replacement of the heat pump installation if it fails, representing the single largest foreseeable cost.
- £20,000 as a more general provision for irregular and / or unforeseen significant internal upgrades, repairs and renewals, which could include such items as redecoration, replacement curtains, lighting, furniture, chairs etc.
- £25,000 as a provision for external repairs and renewals, including the grounds and play area, taking into account the likely need in due course to replace much of the equipment and improve the safety surfacing. This provision also recognises the possibility that some unpaid work currently carried out by volunteers will in the future need to be contracted out to external providers.

These provisions will be reviewed regularly as circumstances change.

If the level of Reserves falls significantly below the amount set in this policy, steps must be taken to restore the Reserves to the set amount.

Approved by the committee: August 2024

Next review due: 2027