



St Peter's Pre-School Policies and Procedures

September 2024

Reserves Policy

The Committee of St. Peter's Pre-School are responsible for ensuring that the organisation's finances comply with relevant regulations and are managed in accordance with law and our constitution.

The preschool needs reserves to meet redundancy liabilities *should the preschool ever have to close*; ensure there are sufficient cash reserves in the current account to cover day to day running costs; replacing equipment or following falls in funding.

The pre-school needs reserves in order to:

1. meet redundancy liabilities should the pre-school ever have to close,
2. ensure there are sufficient cash reserves in the current account to cover day-to-day running costs,
3. ensure continuity of service provision by:
 - a. meeting unexpected costs such as cover for illness or maternity leave etc.,
 - b. cover running costs during periods of lower income
 - c. the need to fund short-term deficits in a cash budget e.g. money that may need to be spent before funding is received.
4. replacing equipment,
5. relocate the pre-school from its current location/premises.

In light of the above, we aim to maintain reserves consisting of: -

- a) reserves to meet redundancy liabilities in the event of the Preschool ceasing to operate; and
- b) general contingency reserves equal to two term's total expenditure.

The Pre-school has no restricted funds, but where possible the target level of reserves shall be held in a separate 'savings account'.

The Management Committee believes that this level of reserves is prudent and necessary to ensure that the Pre-school can run efficiently and meet future needs. The Management Committee will monitor the actual level of reserves annually following the preparation of annual accounts.



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In the event of reserves falling significantly below the target level, we aim to restore the reserves as soon as possible by increasing fundraising, increasing income or reducing expenditure.

The Management Committee will not, however, use excess reserves to cover essential running costs as a long measure, it will only use reserves for short term viability.

This policy was adopted at a meeting of the Pre-school held on
(Date)

Signed on behalf of the Pre-school: (Chairperson)

Safeguarding and Welfare Requirement: Financial Management Providers must maintain records and obtain and share information to ensure the safe and efficient management of the setting, and to help ensure the needs of all children are met.