



Stoke Holy Cross Parish Council

Reserves Policy

Introduction

The Council is required, under statute, to maintain adequate financial reserves in order to meet the needs of the organization.

The Council's policy on the establishment, maintenance and adequacy of reserves and balances will be considered annually.

The Council will hold reserves for these three main purposes:

- A **working balance** to help cushion the impact of uneven cash flows, such as the time lag between the start of the new financial year and the receipt of the first precept payment and the upfront payment of VAT prior to reclaiming
- A **contingency** to cushion the impact of unexpected events or emergencies
- **Earmarked reserves:**
 - A means of building up funds, to meet known or predicted requirements
 - Money held for specific purposes such as CIL (Community Infrastructure Levy)
 - Money pledged but payments unmade
- **Capital reserves:**
 - Money for capital projects (the purchase of buildings or land)

Notes to the Annual Accounts will detail the movement of reserves during the financial year.

The Council's specific requirements are detailed in appendix 1

Reviewed 09/2021
Next review 09/2022

Appendix 1

Working Balance

The Council has considered the need for a working balance for 2021/22:

| | Use | Budget |
|--------------|---|-------------------|
| Cash Flow | To enable the payment of invoices prior to the receipt of the precept payment | £10,200.00 |
| VAT payments | The payment of VAT prior to reclaims | £0 |
| Total | | £10,200.00 |

Contingency

The Council has considered the need for a contingency for 2020/21:

| | Use | Budget |
|-----------------------|--|-----------------|
| Parish Council Assets | To cover unexpected maintenance costs | £2,400.00 |
| Election | The potential cost of a by-election | |
| Unexpected costs | To cover the cost of unexpected events such as travellers or other community needs | £150.00 |
| Total | | £2550.00 |

Earmarked Reserves

Current any anticipated earmarked reserves at the end of 2021/22:

New Pavilion Hall - CIL Receipts - £112,293.51

New Pavilion Hall – Budget 21/22 - £10,000.00

New Play Area – Budget 21/22 - £9,000.00

Covid Grants received - £20,000.00

Any further earmarked reserves identified before the year end will be shown in the end of year accounts.