

FYFIELD VILLAGE HALL

INCOME AND RESERVES POLICY

Background

Fyfield Village Hall is held on trust for the use of the inhabitants of Fyfield 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 Fyfield 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 Fyfield 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 Fyfield 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 Fyfield Village Hall management committee considers that hire fees charged to regular hirers of Fyfield Village Hall should be set at a level that is generally sufficient to meet regular, short term outgoings and expenses. If outgoings exceed hire fees from regular hirers, the management committee will take steps to seek to increase income from regular hirers or reduce expenses.

Reserves Policy

Fyfield Village Hall will hold a minimum of nine months' operating costs as a basic contingency reserve to enable normal operating costs to be covered for up to nine months assuming no income is generated during this time and variable costs are reduced to an amount consistent with the hall not operating. This is currently £7,000. It will also hold an additional £30,000 in reserve to pay for exceptional expenditure for significant repairs and renewals.

The total figure held as Reserves for contingencies and significant repairs and renewals for 2024 is £37,000.

When funds are spent resulting in the level of Reserves falling below the amount set in this policy, surplus from operations and fundraising must be applied to restoring the Reserves to the set amount to meet future contingencies.

The requirements for and level of Reserves held will be monitored by the management committee to ensure they meet Fyfield Village Hall's changing needs and circumstances. This policy and its operation will be published on the Fyfield Village Hall website and reported annually in the Fyfield Village Hall Report and Accounts.

Date agreed: 15 January 2024