

Small Charity Support

Supporting & Facilitating Small Charities & Voluntary Groups

1 Financial Review

1.1. Policy on Reserves

The Charity's policy on reserves is to generate and maintain a level of financial resources which is sufficient:

- a) to discharge fully its legal and moral financial commitments as, or before, they become due;
{Commitment, Closure}
- b) to preserve the financial viability of the Charity in the event that unforeseen and/or unavoidable circumstance precipitate a short-term fall in its income and/or increase in its expenditure;
{Contingency, Cash-flow}
- c) to enable the Charity, in the interests of meeting its objectives, to undertake from time to time the setting up of new and innovative projects on a pilot basis to demonstrate the viability and potential benefits of such activities as a precursor to securing the external funding necessary to maintain such projects on an on-going basis.
{Commitment, Conservation}

For those purposes the Charity will:

- d) create a pragmatic annual budget to enable it to manage its financial (and other) resources Efficiently, Effectively & Economically (the 3-E's of being business-like and delivering "value for money") – to which Ethical, Ecological and Environmental criteria will also be included as appropriate;
{Commitment}
- e) monitor actual financial performance against budget on a regular basis (*ie*: at trustees' meetings) and take appropriate action in the event of material differences between actual and budgeted performance occurring;
{Cash-flow}
- f) not enter into financial (or other resource) commitments for which the necessary funding is not assured;
{Commitment, Cash-flow}
- g) not solicit additional donations or funding where doing so would create an unbudgeted surplus of income over expenditure.
{Conservation}
- h) periodically review the financial resources ("reserves") it is holding under the "5-C's" headings:
Commitment; Cash-flow; Contingency; Conservation; Closure

At the time of this report Small Charity Support had unrestricted cash assets significantly in excess of its liabilities, budget and contingency requirements. The trustees are therefore giving due consideration to how those additional resources can best be used (*ie*: Conserved) to enhance and/or expand its services to its beneficiaries in accordance with its charitable objects for the public benefit.