

**Chieveley Pre-School**

Chieveley Early Years Centre, School Road

Chieveley, West Berkshire RG20 8TY

Tel: 07511 098 720

E-mail [info@chieveleypreschool.co.uk](mailto:info@chieveleypreschool.co.uk)

Website [www.chieveleypreschool.co.uk](http://www.chieveleypreschool.co.uk)

Registered Charity No.1048094. PLA No.15843.



## Monetary Reserves Policy

### Reason for Policy:

The Charity Commission has recommended that all charities have a formal reserve policy. Reserves are the level of cash or deposits in building societies that are held but are not needed to cover the short-term cash flow requirements of the pre-school. They should be held in interest bearing accounts.

The importance of a reserve policy is to safeguard the long term and sustainable future of the pre-school. It is not intended (or possible) to refund money to parents if the reserves grow. This is because most of our revenue is derived from Education Grants. West Berkshire would not allow such a repayment.

### Policy

Over the last few years the financial results of the pre-school have been very volatile. In particular our revenue can vary enormously. This is because numbers of children vary due to demographic reasons together with the admissions policy of local schools.

The committee has agreed that we should aim to hold reserves covering 6 months of expenditure. This level will give the committee enough time to adjust expenditure plans and seek alternative sources of revenue if a major problem should arise.

If the reserves fall below this level the committee will endeavour to improve the situation by tight financial control and limiting expenditure on discretionary items, especially equipment. Staff ratios will be kept close to the minimum levels required.

If reserves rise above this level the committee should consider investing the surplus by actions such as:

- Improving staff ratios
- Buying equipment
- Investing in additional facilities.

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**This policy was reviewed by the management and committee of Chieveley Pre-School and adopted during 2022-2023**

Signed on behalf of Chieveley Pre-School by the chair.

**Name (Sign):**

**Date:** 05.09.22.

A handwritten signature in blue ink, appearing to be 'Nicola Charles', written in a cursive style.

**Name (Print):** Nicola Charles

**Date:** 05.09.22.