

Thursford 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.

This is currently accounted for in the budget.

These funds are currently held in the current account.

- A **contingency** to cushion the impact of unexpected events or emergencies

The Council has a small reserve in the NS&I account for such events.

This will be reviewed each year when the budget is set.

- **Earmarked reserves:**

A means of building up funds, to meet known or predicted requirements

The Council has earmarked funds for the Lychgate held in the NS&I Account.

- **Capital reserves:**

Money for capital projects (the purchase of buildings or land)

The Council have no Capital projects.

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

Reviewed November 2023
Next review November 2024