

# West Green Playgroup



## Reserve Policy

### Statement of intent

We recognise that planning and financial management are important for the future security of our setting.

A reserve policy will assist committee members when planning and explaining their approach to members.

### Aim

- 1.To ensure that we can provide a consistent level of service protecting against unforeseen losses to income or increases in expenses.
- 2.To ensure that our liabilities can be met should our setting need to close.

### Method

We hold regular committee meetings to make decisions about the current and future management of the setting. At each meeting of the committee the Treasurer shall normally present an up-to-date written statement of accounts. All decisions made by the committee should be made in view of the current financial situation of the setting and required reserves.

The committee will annually review our reserves to ensure that it will meet the following:

- Statutory redundancy liability for all staff.
- Pay for the notice period required to be given to staff.
- Outstanding holiday pay entitlement for staff.
- Outstanding bills such as premises rent.
- Repayment of Funding Entitlement for sessions not provided.

In addition, we aim to maintain reserves which will include a small contingency to cover a temporary shortfall, for example due to low children's numbers in the Autumn term.

A risk assessment will be carried out to ensure that the situation is temporary, and that other measures cannot be taken to prevent the shortfall i.e.

Reduction in staffing levels etc. Further advice will be sought from Early Years Advisors at the Preschool Learning Alliance.

We will publish this policy in our annual report as is legally required by the Charity Commission