

## RSCDS (Bristol) Reserves Policy

### **Reserves**

The branch is required to have a policy for unallocated reserves and to follow that policy. Unallocated reserves are funds held from past surpluses that were not raised for any particular purpose i.e. the net assets of the branch other than equipment.

### **Policy**

The committee has agreed the following policy :

*The purpose of any unallocated reserve is to enable the branch to survive temporary financial losses. Unallocated reserves should be the total of the following amounts:*

- 1. An amount to cover short term imbalances between expenditure and income. Reserves for this purpose should be in the range 5% to 10% of annual turnover.*
- 2. An amount to provide a buffer against unexpected losses, temporary misfortunes and unexpected liabilities. Reserves for this purpose should be in the range 25% to 50% of the expected cost of the most expensive activity in the next year.*

October 2014