

SHARP



SEDFORD HISTORICAL AND
ARCHAEOLOGICAL RESEARCH PROJECT

Reserves Policy

1.0 Cash needs reserves to:

- 1.1 Meet contractual liabilities should the organisation have to close. This includes amounts due to creditors and commitments under leases.
- 1.2 To meet unexpected costs like break down of essential machinery and legal costs defending the charities interest.
- 1.4 From time to time funding has certain restrictions which mean that by law it must be held in a restricted reserves until it is spent in line with the funding agreement.

2.0 SHARP funding.

- 2.1 SHARP is currently funded via income from courses with donations providing additional revenue. The rising costs of everything means we are looking to grants to fund capital purchases in order to reduce some of the expense which we incur in hire costs thereby reducing our annual expenses
- 2.3 SHARP plans it's fund raising in advance having a 12 month cash flow. Typically it takes 3-12 months to secure funding from the application process to receiving the first payment.
- 2.4 Some funders repeat their funding each year for up to 3 years

3.0 Analysis of income.

Income	
Bookings	28860
Donations	3290
Team donations	1680
Gift Aid	900
Friends	430
Schools	560
	£35,720

4.0 A reasonable level of reserves

- 4.1 As a small organisation SHARP aims to have reserves in the region of 20% of current expenditure.
- 4.2 Were SHARP to close the organisation would potentially incur a number of winding up costs.
- 4.3 **Costs for Year**

Lease agreements & catering staff	
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Archaeology/Courses	4180
Site	18350
Catering	8345
Repairs/Renewals/Contingency	3200
	£34,075

4.4 It is assumed that most capital purchases will be funded from specific grants for capital purchases.

6.0 Establishing and maintaining a reasonable level of reserves.

6.1 In the event of reserves dipping below the target SHARP will aim to restore the reserves to at least 20% - or £7,000 - of expenditure over the next two years. This could be achieved by increased fund raising, increasing earned income or reducing expenditure.

6.2 If reserves exceed 20% of expenditure SHARP will consider the likely expenditure over the next two years and aim of reserves to be less than 20% of turnover by the end of two years. This could be achieved by reducing prices, or increasing "free" activities and so increasing expenditure. Increasing "free" activities could be one off in areas like community activities, or bursaries or expanding the organisation generally. In the latter case due attention will be paid to identifying funding that would sustain the expansion after the reserves had been brought below 20% of expenditure. If SHARPs turnover is growing year on year this might mean that there is no need to reduce reserves for the target to be met within two years.

7.0 Monitoring and reviewing of reserves policy.

7.1 The trustees will consider current costs of closure and examine the level of reserves each year when setting the following years' budget.

7.2 This reserves policy will be reviewed every year as funding changes from year to year