



Runspire Together

Reserves Policy

1. Purpose

This Reserves Policy sets out how **Runspire Together** manages its financial reserves to ensure:

- Financial sustainability and stability
- Protection against unexpected events
- Continuity of services for participants and communities
- Responsible governance in line with UK charity and not-for-profit good practice

The policy supports the Trustees in meeting their legal duties under the Charities Act 2011 (where applicable) and general principles of sound financial management.

2. Definition of Reserves

Reserves are defined as unrestricted funds held by Runspire Together that are freely available to spend on any of the organisation's purposes.

Reserves do **not** include:

- Restricted funds (e.g. grant funding for specific projects)
 - Designated funds (formally set aside for a specific future purpose)
 - Fixed assets where these cannot easily be realised
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3. Why Runspire Together Holds Reserves

Runspire Together holds reserves to:

- Cover short-term cash flow fluctuations
- Protect against unexpected costs (e.g. equipment replacement, insurance increases, venue changes)
- Manage risks such as lower participant numbers or delayed grant payments
- Ensure sessions can continue safely if income temporarily reduces
- Support responsible expansion into new locations (as outlined in strategic plans)

As a community-focused organisation operating multiple projects across Nottinghamshire and Derbyshire, maintaining stability is essential to protect participants and volunteers.

4. Level of Reserves

The Trustees aim to maintain unrestricted reserves equivalent to:

3–6 months of core operating expenditure.

Core expenditure may include:

- Insurance
- Leadership and volunteer training
- Venue hire
- Marketing and communications
- Administration costs
- Essential equipment

The exact monetary target will be reviewed annually based on the organisation's size, growth plans, and risk profile.

If reserves fall below the minimum threshold, Trustees will:

- Monitor finances more frequently
- Prioritise essential expenditure

- Consider fundraising or cost adjustments

If reserves exceed the upper threshold, Trustees may:

- Invest in new community projects
 - Fund additional volunteer training
 - Improve equipment or participant experience
 - Create designated development funds
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5. Monitoring and Review

- Reserves levels will be reviewed quarterly by Trustees.
 - The policy will be formally reviewed annually.
 - The reserves figure will be reported within the annual financial statement.
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6. Responsibilities

The Trustees are responsible for:

- Setting and reviewing the reserves target
- Ensuring reserves align with risk management
- Documenting justification for the level held
- Ensuring transparency and accountability

The Treasurer (or appointed finance lead) will:

- Provide regular financial updates
- Report on reserves position



- Flag concerns regarding sustainability

7. Policy Review

Approved by: Board of Trustees, Runspire Together

Effective from: [Insert Date]

Next Review Date: [Insert Date – 12 months from approval]