



SANDWICH BAY BIRD OBSERVATORY TRUST

Guilford Road, Sandwich Bay, Sandwich, Kent CT13 9PF Telephone: Sandwich 617341

Financial Reserves Policy

Reviewed August 2017 by the Trustees

Objectives of the charity

As an accredited bird observatory and registered charity SBBOT is committed to the conservation and recording of the natural environment in the Sandwich Bay area, and in so doing offer opportunities for education, training and research.

<u>Approximated figures from SOFA (2016)</u>			
	Unrestricted (£)	Restricted (£)	Total (£)
Incoming resources	209,212	555	209,767
Resources expended	219,092	180	219,272
Net incoming resources	(9,880)	375	(9,505)
Fund balances carried forward to next year (2017)	129,877	849	130,726

Stated reserves policy

The Council is aware of the general legal duty to apply charitable funds within a reasonable time of receiving them and has actively encouraged delegated staff to spend funds on charitable purposes within their charitable objectives and in a manner that as far as possible meets donor's wishes. The trustees have reviewed the charity's needs for reserves in line with the guidance issued by the Charity Commission and have set aside or designated a minimum of £100 000 to meet commitments on salaries and rent; and to safeguard the charity's service commitment in the event of delays in receipt of grants. The Council believes that reserves should be at least at this level to ensure the charity can run efficiently and meet the needs of the beneficiaries.

Unrestricted funds are needed:

- a) to provide funds which can be designated to specific projects to enable these projects to be undertaken at short notice and
- b) to cover administration, fund-raising and support costs without which the charity could not function and
- c) to cover staff costs for two years, without which the objectives of the charity may not be met and
- d) to ensure that rental and lease agreements can be honoured.

The Council considers it prudent that unrestricted reserves should be sufficient:

- a) to avoid the necessity of realising fixed assets held for the charity's use;
- b) to cover one year's administration fund-raising and support costs;
- c) to cover one year's salary at current staff levels
- d) to provide a pool equal to 10% of the average charitable expenditure over the preceding two years from which funds can be designated to specific projects.

Unrestricted reserves are currently within that range.

The level of reserves is monitored and reviewed by the Council once a year.

The reserve will be maintained between £100,000 and £200,000 by amending membership fees, grant applications and expenditure on events.