



0.11

Administration

11.1 Reserves Fund

Procedures

A Reserves Fund is required by the preschool to ensure a continuation of services should something unexpected happen or to deal with short-term fluctuations in cash flow. The reserve fund should cover three months running costs of the preschool and have an allowance to cover the cost of staff redundancies should this be required. The amount of the reserve fund is set at should be reviewed every twelve months by the management committee.

Target for the Reserve fund: £20,000.00

This amount is required to cover expenditure (wages, rent and basic resources), to allow the preschool to continue should there be an emergency or drop in funding. £5000.00 of this fund is for redundancies should a reduction in staff be required, or the whole fund used, as required, if the preschool closes permanently.

A separate bank account is required to hold this fund and money moved into this account, when finances, allow till the target level is reached. Fundraising will be required to build the fund quicker, at least one fundraising event each, in which the proceeds go into the reserve fund, will be arranged.

The reserve fund may be used to cover expenses in an emergency, replace large items of equipment if broken or damaged, or items required to improve the security of the setting.

This policy was adopted by

Sunnybank pre-school

Adopted on

24/11/2021

Date reviewed

17/05/2023

Date for next review

17/05/2024

Signed on behalf of the provider

Name of signatory

Role of signatory (e.g. chair, director or owner)

